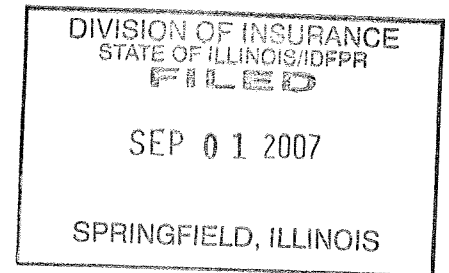


August 6, 2007

Ms Gayle Neuman
Division of Insurance
Illinois Department of Financial and Professional Regulation
320 West Washington Street
Springfield, IL 62767-0001



Re: Professional Liability Insurance Company of America (PLICA)
FEIN 13-5667145 ✓
Physicians and Surgeons Professional Liability Insurance
Rate Filing effective September 1, 2007 (RF 2)

FILE # RF2

Dear Ms Neuman:

This filing is on behalf of the Professional Liability Insurance Company of America (PLICA).

The entire PLICA rating manual rates and rules in effect in Illinois since June 1, 2004, are replaced (superseded) by the rates and rating rules manual included in this filing. This filing is submitted under the rate filing file-and-use requirements of the State of Illinois, with an effective date of September 1, 2007. We've included a complete current PLICA rating manual and a separate section for the Illinois rates and exceptions.

Our actuarial analysis, which is included with this filing, is by Joel Vaag and Jason Russ of the firm Milliman.

To the best of my knowledge, the application of these rates and rules does not/will not unfairly discriminate for or against anyone.

A second copy of this letter is enclosed. We request that you stamp and return one copy of this letter in the enclosed self-addressed envelope.

geh

Ms Gayle Newman
August 6, 2007
-2-

Please contact me should you have any questions regarding this submission, or if you require additional information. My phone number is (630) 282-1786.

Very truly yours,

A handwritten signature in cursive script, appearing to read "David Sloan".

David Sloan

Vice President, Underwriting

enclosures

Section 754. EXHIBIT A Summary Sheet (Form RF-3)

FORM (RF-3)

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision
effective 9/1/2007

(1) Coverage	(2) Annual Premium Volume (Illinois)*	(3) Percent Change (+ or -)**
1. Automobile Liability Private		
Passenger		
Commercial		
2. Automobile Physical Damage		
Private Passenger		
Commercial		
3. Liability Other Than Auto		
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other <u>MEDICAL MALPRACTICE</u>	<u>35,969,456</u>	<u>-19.9%</u>
Life of Insurance		

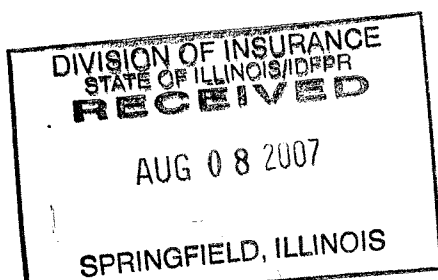
Does filing only apply to certain territory (territories) or certain
classes? If so, specify: NO ALL TERRITORIESBrief description of filing. (If filing follows rates of an advisory
organization, specify organization): COMPLETELY NEW RATES
AND RATING RULES

*Adjusted to reflect all prior rate changes.

**Change in Company's premium level which will result from application of
new rates.PROFESSIONAL LIABILITY COMPANY
OF AMERICA (PLICA)David Steady Name of Company FILEDV.P. Underwriting
Official--Title

MAR 17 1983

SOS - ISL - CODE UNIT



Neuman, Gayle

From: Dave Sloan [dsloan@plica.com]
Sent: Tuesday, November 06, 2007 7:03 AM
To: Neuman, Gayle
Subject: RE: PLICA - Filing #RF2
Attachments: IL Rates Mnl 9-1-07.doc

Our responses to your questions of October 29, 2007:

1. The 9/1/04 filing included a class code (ranging from 1 to 11) which was basically classing specialties into classes that would be charged the same premium. The 9/1/07 filing does not include that information. Do you no longer utilize a class code?

The Milliman rate study that accompanied this rate filing grouped rating class medical specialties in the same fashion as our prior filing. See Appendix A, Sheets 1 and 2. We chose not to display rates in that fashion in the PLICA rating manual in that it's easier to look up a medical specialty's rate when medical specialties are listed alphabetically.

2. The 9/1/07 filing includes claims-made maturity factors that were not previously filed. Does this now apply for new business only? If not, do you apply the changes at a policy's renewal?

The filed claims-made factors apply to all business, new and renewal. All changes in this manual are to apply to both new business to PLICA and renewals.

3. Under IX. H. Reporting Period Extension Coverage, it indicates every insured may purchase either an unlimited erp or a first-year installment erp. Please explain the factors listed below this - if you want to purchase an unlimited erp, do you pay the "mature" rate listed?

The first column in this table refers to the insured doctor's claims-made status. If the doctor is in his first year of claims-made coverage, the corresponding factor to be applied to the doctor's expiring premium is 3.67; second year, 3.11; and so on, to "mature" claims-made (five or more years) when the 2.05 factor applies. This is the calculation for unlimited ERP. The premium for the annual installment option may be calculated by applying the 35% factor to the "unlimited" ERP premium obtained by this table.

4. Under VIII. Merit-Rating A. Claim-free Credit, the years of claim-free experience has been changed. Does this apply to new business only? If not, do you apply the changes at a policy's renewal?

All changes in this manual are to apply to both new business to PLICA and renewals.

5. Under VIII. Merit-Rating B. Schedule-rating, the risk characteristics have changed in addition to the range of credit/debit. Does this apply to new business only? If not, do you apply the changes at a policy's renewal?

As above, All changes in this manual are to apply to both new business to PLICA and renewals.

6. On the pages describing the changes made in this filing, it indicates the new-to-practice credits (#22) has dropped the third year in practice credit. We don't see where there was ever anything other than just for two years. Please advise.

You're right. I don't know where I got the misinformation. To the best of my knowledge (now) PLICA has never offered a third year in practice discount in Illinois or any other state.

7. The 9/1/04 filing included a reduced rate for fellows, residents and interns. The 9/1/07 filing only indicates residents and only indicates a reduced rate for residents employed part-time outside their residency. Does this apply to new business only? If not, do you apply the changes at a policy's renewal?

Fellows, residents and interns are almost universally covered in the teaching institution's liability

program. It's appropriate that they should be covered in that fashion: The institution is the "deep pocket" and the principle target of any lawsuit. Interns, residents, and fellows are hardly in a position, financially or otherwise, to obtain their own med mal insurance. The real exposure here is when residents work part-time outside of their residency in an ER or elsewhere, to begin to pay down what are usually significant school debts. This is what the rule should have referred to in 2004. In any event, to the best of our knowledge, PLICA has never insured an intern, resident, or fellow, either inside or outside their residency, internship, or fellowship. This rule can only apply to new business.

8. Prior Acts/Retroactive coverage was eliminated in the 9/1/07 filing. Does this apply to new business only? If not, do you apply the changes at a policy's renewal?

We never intended to cease providing prior acts coverage, new or renewal business. Rule II D. 1. and 2. explain the manner in which prior acts are provided. The displayed rates are claims-made mature rates (four or more prior years are assumed.)

In responding to the above, we noticed that the lettering of the Section IX Rules were mis-ordered on pages IL-5 and IL-6. We've corrected this and the corrected pages have been attached. There is nothing substantive about this change.

If anything else is required, please let me know. Thanks.

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Mon 10/29/2007 1:40 PM
To: Dave Sloan
Subject: PLICA - Filing #RF2

Mr. Sloan,

We have some additional questions to be addressed in regard to the filing mentioned above. Please address the following:

1. The 9/1/04 filing included a class code (ranging from 1 to 11) which was basically classing specialties into classes that would be charged the same premium. The 9/1/07 filing does not include that information. Do you no longer utilize a class code?
2. The 9/1/07 filing includes claims-made maturity factors that were not previously filed. Does this now apply for new business only? If not, do you apply the changes at a policy's renewal?
3. Under IX. H. Reporting Period Extension Coverage, it indicates every insured may purchase either an unlimited erp or a first-year installment erp. Please explain the factors listed below this - if you want to purchase an unlimited erp, do you pay the "mature" rate listed?
4. Under VIII. Merit-Rating A. Claim-free Credit, the years of claim-free experience has been changed. Does this apply to new business only? If not, do you apply the changes at a policy's renewal?
5. Under VIII. Merit-Rating B. Schedule-rating, the risk characteristics have changed in addition to the range of credit/debit. Does this apply to new business only? If not, do you apply the changes at a policy's renewal?
6. On the pages describing the changes made in this filing, it indicates the new-to-practice credits (#22) has dropped the third year in practice credit. We don't see where there was ever anything other than just for two years. Please advise.
7. The 9/1/04 filing included a reduced rate for fellows, residents and interns. The 9/1/07 filing only indicates residents and only indicates a reduced rate for residents employed part-time outside their residency. Does this

apply to new business only? If not, do you apply the changes at a policy's renewal?

8. Prior Acts/Retroactive coverage was eliminated in the 9/1/07 filing. Does this apply to new business only? If not, do you apply the changes at a policy's renewal?

We request receipt of your response by no later than November 7, 2007.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

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Gayle.Neuman@illinois.gov

Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

- H. Limits that are less than these primary-limits of insurance may be purchased at premiums derived from applying the following factors to the full primary-limits premium (not including any credit applied for a deductible):

\$ 100,000/\$ 300,000	0.46
\$ 200,000/\$ 600,000	0.59
\$ 250,000/\$ 750,000	0.64
\$ 300,000/\$ 900,000	0.69
\$ 500,000/\$1,500,000	0.82
\$ 750,000/\$2,250,000	0.92
\$1,000,000/\$1,000,000	0.98

- G. Claims-made Maturity Factors

(Applied to the mature basic limits rates.)

First Year	0.250
Second Year	0.500
Third Year	0.780
Fourth Year	0.925
Mature	1.000

- H. Reporting Period Extension Coverage.

To calculate reporting period extension premium, the following factors will be applied to the expiring, or terminated, annual premium of all policies that terminate for any reason. Any discounts or surcharges of the terminated premium will be included in this calculation. Every terminated insured may purchase either an unlimited, or a first-year installment reporting period extension. See Rule II. D. 4. Reporting period extensions are non-cancellable: Therefore the full premium must be received before the extension can be issued.

First Year Claims-made Policy	3.67
Second Year	3.11
Third Year	2.33
Fourth Year	2.17
Mature	2.05

- I. Quarterly Installment Payment Plan.

Premiums of any amount are payable in four equal installments (25% each) with no interest, service fee, or other charge. The initial installment is due at inception with subsequent installments due 3, 6 and 9 months from policy issuance. Any

Neuman, Gayle

From: Dave Sloan [dsloan@plica.com]
Sent: Wednesday, September 12, 2007 2:49 PM
To: Neuman, Gayle
Subject: RE: Rate/Rule Filing #RF2
Attachments: IL Rates Mnl 9-1-07.doc

Ms Neuman,

We've revised Rule I (not rule "1", but the rule that follows "H") in the PLICA Illinois exception pages to comply with your requirement. The new exception pages including the new wording are attached.

Thanks for your attention to this matter.

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wed 9/12/2007 8:35 AM
To: Dave Sloan
Subject: Rate/Rule Filing #RF2

Mr. Sloan,

One last issue to address again. In regard to the quarterly installment payment plan, we are asking you to indicate in the manual that after the initial 25% payment is made at policy issuance, the three remaining 25% installments are due 3, 6 and 9 months from policy issuance.

We request receipt of your response by September 17, 2007.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

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Neuman, Gayle

From: Dave Sloan [dsloan@plica.com]
Sent: Friday, August 31, 2007 2:44 PM
To: Neuman, Gayle
Subject: FW: PLICA Rate/Rule Filing #RF2
Attachments: Nathans Certification of 9-1 Rates.pdf

In response to Item 1, a certification letter by an officer of PLICA is attached.

If anything more is required, please let me know.

From: Dave Sloan
Sent: Thu 8/30/2007 2:42 PM
To: Neuman, Gayle
Subject: RE: PLICA Rate/Rule Filing #RF2

Ms Neuman:

1. This will be sent to you separately within the next several days. Our CEO will sign the statement; he doesn't have scanning capability where he is.
2. The third and final extension will also be 35%. These insureds may be paying more than 100% but they are getting more coverage in addition to installments. The aggregate limit of liability is reinstated by the third extension, as it is for each of the two prior extensions.
3. PLICA will not offer a pre-paid tail, or occurrence coverage, any time in the foreseeable future. This rule is intended as a long term generic rule for some unknown potential circumstance in the future. If you would prefer, we will delete this rule in the Illinois exceptions. (Possibly, a new employee would have his tail pre-paid by an employer. Or, resident physicians, or other first-year physicians, who are in short-term employment situations would be better served by a pre-purchased tail, than be subject to the sudden huge cost tail coverage when that short term employment ends.)
4. Yes. The higher-rated territory applies.
5. The intent is a 20% swing for each item: a 10% credit to a 10% debit.
6. PLICA has surcharged physicians prior to these rules, in accordance to former Rule XII., Imposed Deductibles and Surcharges. To the best of our knowledge, PLICA has never provided contractual liability. PLICA has frequently written accounts of \$100,000 or more; to the best of our knowledge, however, PLICA has occasionally, but rarely, relied on its former rule XII, Sizable Risk Rating. In most cases, standard PLICA rating rules were used.
7. We've expanded the PLICA Quarterly Premium Payment Plan (Item I. of the Illinois exceptions) to comply with your notes.
8. We've expanded and elaborated Item G. Claims-made Factors, of the Illinois exceptions to comply with your comments.

Let me know if you need more.

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]

Sent: Wed 8/29/2007 11:05 AM
To: Dave Sloan
Subject: PLICA Rate/Rule Filing #RF2

Mr. Sloan,

In regard to your response dated August 29, 2007 in regard to the filing referenced above, please address the following:

1. The certification provided did not include a certification by an officer of the company as required by 215 ILCS 5/155.18.
2. In regard to II. D. 4. b., is the premium for the third (and final) extension 35% or 30%? Additionally, it states separate limits apply for each of the three extensions. Please clarify. Will the third extension reinstate the limits to 100% of the aggregate expiring limits?
3. In regard to II. D. 6., please explain why PLICA would offer this pre-paid tail. What is the intent behind this section?
4. If an insured practices their specialty in more than one territory, does this affect the rate PLICA will charge?
5. In VIII. B. 1. through 4., are the debit/credit figures "10%" or "0 to 10%"?
6. In VIII. C. 2., does PLICA currently individually rate any insureds/policies? In regard to contractual liability and risks with over \$100,000 annual premium (IV. F. and H.), does PLICA currently individually rate any insureds/policies?
7. In regard to the quarterly installment payment plan, please indicate in the manual the exact percentage of premium due and clarify the due dates. You are also required to include a provision stating that additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction. Additionally, please clarify if the payment plan is available to all insureds or to all insureds whose annual premium is less than \$500.
8. Pursuant to Company Bulletin CB88-50, the company must offer an extended reporting period of at least 12 months on claims-made policies. The insured must be allowed 30 days after the end of the policy period to purchase the extended reporting period. Extended reporting period (tail coverage) premium must be priced as a factor of one of the following: (1) the last twelve months premium; (2) the premium in effect at policy issuance; or (3) the expiring annual premium. List the factor(s) to be used to figure the premium, which of the three premiums the factor will be applied to, and any credits, discounts, etc. that will be added or removed when determining the final premium. These issues should be included in the manual to clarify PLICA's handling.

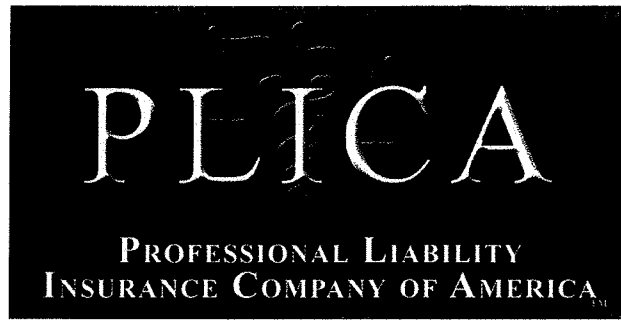
We request receipt of your response by September 6, 2007.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

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Gayle.Neuman@illinois.gov



Ms. Gayle Neuman
Division of Insurance
Illinois Department of Financial and Professional Regulation
320 West Washington Street
Springfield, Illinois 62767-0001

RE: PLICA- Illinois Certification for Medical Malpractice Rates

I, Howard B. Nathans, President and CEO of Professional Liability Insurance Company of America (PLICA), do hereby certify on behalf of PLICA that PLICA's rates are based on sound actuarial principles and are not inconsistent with the company's (PLICA's) experience and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

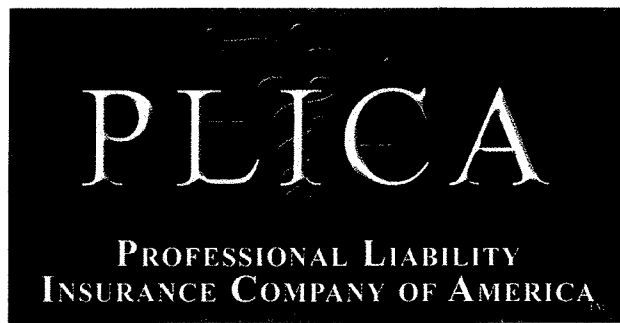
Professional Liability Insurance Company of America

BY *Howard B. Nathans*

Name: Howard B. Nathans

Title: President/CEO

Date: August 30, 2007



Ms. Gayle Neuman
Division of Insurance
Illinois Department of Financial and Professional Regulation
320 West Washington Street
Springfield, Illinois 62767-0001

RE: PLICA- Illinois Certification for Medical Malpractice Rates

I, Howard B. Nathans, President and CEO of Professional Liability Insurance Company of America (PLICA), do hereby certify on behalf of PLICA that PLICA's rates are based on sound actuarial principles and are not inconsistent with the company's (PLICA's) experience and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

Professional Liability Insurance Company of America

BY: A handwritten signature in black ink, reading "Howard B. Nathans", is written over the printed name.

Name: Howard B. Nathans

Title: President/CEO

Date: August 30, 2007

Neuman, Gayle

From: Dave Sloan [dsloan@plica.com]
Sent: Thursday, August 30, 2007 2:42 PM
To: Neuman, Gayle
Subject: RE: PLICA Rate/Rule Filing #RF2
Attachments: IL Rates Mnl 9-1-07.doc

Ms Neuman:

1. This will be sent to you separately within the next several days. Our CEO will sign the statement; he doesn't have scanning capability where he is.
2. The third and final extension will also be 35%. These insureds may be paying more than 100% but they are getting more coverage in addition to installments. The aggregate limit of liability is reinstated by the third extension, as it is for each of the two prior extensions.
3. PLICA will not offer a pre-paid tail, or occurrence coverage, any time in the foreseeable future. This rule is intended as a long term generic rule for some unknown potential circumstance in the future. If you would prefer, we will delete this rule in the Illinois exceptions. (Possibly, a new employee would have his tail pre-paid by an employer. Or, resident physicians, or other first-year physicians, who are in short-term employment situations would be better served by a pre-purchased tail, than be subject to the sudden huge cost tail coverage when that short term employment ends.)
4. Yes. The higher-rated territory applies.
5. The intent is a 20% swing for each item: a 10% credit to a 10% debit.
6. PLICA has surcharged physicians prior to these rules, in accordance to former Rule XII., Imposed Deductibles and Surcharges. To the best of our knowledge, PLICA has never provided contractual liability. PLICA has frequently written accounts of \$100,000 or more; to the best of our knowledge, however, PLICA has occasionally, but rarely, relied on its former rule XII, Sizible Risk Rating. In most cases, standard PLICA rating rules were used.
7. We've expanded the PLICA Quarterly Premium Payment Plan (Item I. of the Illinois exceptions) to comply with your notes.
8. We've expanded and elaborated Item G. Claims-made Factors, of the Illinois exceptions to comply with your comments.

Let me know if you need more.

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wed 8/29/2007 11:05 AM
To: Dave Sloan
Subject: PLICA Rate/Rule Filing #RF2

Mr. Sloan,

In regard to your response dated August 29, 2007 in regard to the filing referenced above, please address the following:

1. The certification provided did not include a certification by an officer of the company as required by 215 ILCS

5/155.18.

2. In regard to II. D. 4. b., is the premium for the third (and final) extension 35% or 30%? Additionally, it states separate limits apply for each of the three extensions. Please clarify. Will the third extension reinstate the limits to 100% of the aggregate expiring limits?
3. In regard to II. D. 6., please explain why PLICA would offer this pre-paid tail. What is the intent behind this section?
4. If an insured practices their specialty in more than one territory, does this affect the rate PLICA will charge?
5. In VIII. B. 1. through 4., are the debit/credit figures "10%" or "0 to 10%"?
6. In VIII. C. 2., does PLICA currently individually rate any insureds/policies? In regard to contractual liability and risks with over \$100,000 annual premium (IV. F. and H.), does PLICA currently individually rate any insureds/policies?
7. In regard to the quarterly installment payment plan, please indicate in the manual the exact percentage of premium due and clarify the due dates. You are also required to include a provision stating that additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction. Additionally, please clarify if the payment plan is available to all insureds or to all insureds whose annual premium is less than \$500.
8. Pursuant to Company Bulletin CB88-50, the company must offer an extended reporting period of at least 12 months on claims-made policies. The insured must be allowed 30 days after the end of the policy period to purchase the extended reporting period. Extended reporting period (tail coverage) premium must be priced as a factor of one of the following: (1) the last twelve months premium; (2) the premium in effect at policy issuance; or (3) the expiring annual premium. List the factor(s) to be used to figure the premium, which of the three premiums the factor will be applied to, and any credits, discounts, etc. that will be added or removed when determining the final premium. These issues should be included in the manual to clarify PLICA's handling.

We request receipt of your response by September 6, 2007.

Gayle Neuman

Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

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Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

IX. RATES, STATE RULES EXCEPTIONS--Illinois

A. Illinois Rating Territories

Territory 1: Cook, Madison and St. Clair Counties

Territory 2: DuPage, Jackson, Kane, Lake, McHenry, Vermilion and Will Counties

Territory 3: Champaign, Coles, DeKalb, Effingham, Kankakee, LaSalle, Macon,
 Sangamon and Winnebago Counties

Territory 4: Remainder of Illinois

B. Mature Claims-made Rates--Physicians and Surgeons

Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
229	Addictionology	18,444	15,678	12,358	10,144
230	Aerospace Medicine	24,635	20,940	16,506	13,549
254	Allergy	18,444	15,678	12,358	10,144
151	Anesthesiology	47,335	40,235	31,715	26,034
196	Anesthesiology--pain management	47,335	40,235	31,715	26,034
255	Cardiovascular Disease--no surgery	39,081	33,219	26,184	21,494
281	Cardiovascular Disease--minor surgery	67,972	57,776	45,541	37,384
256	Dermatology--no surgery	24,635	20,940	16,506	13,549
282	Dermatology--minor surgery	28,762	24,448	19,271	15,819
237	Diabetes--no surgery	37,017	31,464	24,801	20,359
271	Diabetes--minor surgery	39,081	33,219	26,184	21,494
102	Emergency Medicine--no major surgery	67,972	57,776	45,541	37,384
157	Emergency Medicine--major surgery	129,876	110,395	87,017	71,432
238	Endocrinology--no surgery	24,635	20,940	16,506	13,549
272	Endocrinology--minor surgery	37,017	31,464	24,801	20,359
420	Family/General Practitioners--no surgery	37,017	31,464	24,801	20,359
421	Family/General Practitioners--minor surgery	57,653	49,005	38,628	31,709
521	Family/General Practitioners--minor surgery --0 to 24 deliveries	57,653	49,005	38,628	31,709
240	Forensic or Legal Medicine	18,444	15,678	12,358	10,144
241	Gastroenterology--no surgery	53,526	45,497	35,862	29,439
274	Gastroenterology--minor surgery	53,526	45,497	35,862	29,439
231	General Preventive Medicine--no surgery	18,444	15,678	12,358	10,144
243	Geriatrics--no surgery	24,635	20,940	16,506	13,549

Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
276	Geriatrics--minor surgery	47,335	40,235	31,715	26,034
244	Gynecology--no surgery	43,208	36,727	28,949	23,764
277	Gynecology--minor surgery	67,972	57,776	45,541	37,384
245	Hematology--no surgery	37,017	31,464	24,801	20,359
278	Hematology--minor surgery	53,526	45,497	35,862	29,439
805	Hospitalists	43,208	36,727	28,949	23,764
232	Hypnosis	18,444	15,678	12,358	10,144
246	Infectious Diseases--no surgery	39,081	33,219	26,184	21,494
279	Infectious Diseases--minor surgery	76,226	64,792	51,071	41,924
283	Intensive Care Medicine	43,208	36,727	28,949	23,764
257	Internal Medicine--no surgery	37,017	31,464	24,801	20,359
284	Internal Medicine--minor surgery	53,526	45,497	35,862	29,439
258	Laryngology--no surgery	18,444	15,678	12,358	10,144
285	Laryngology--minor surgery	53,526	45,497	35,862	29,439
801	Manipulative Medicine	18,444	15,678	12,358	10,144
471	Neonatology--no surgery	76,226	64,792	51,071	41,924
476	Neonatology--minor surgery	113,371	96,366	75,959	62,354
259	Neoplastic Diseases--no surgery	37,017	31,464	24,801	20,359
286	Neoplastic Diseases--minor surgery	39,081	33,219	26,184	21,494
260	Nephrology--no surgery	39,081	33,219	26,184	21,494
287	Nephrology--minor surgery	47,335	40,235	31,715	26,034
261	Neurology--no surgery	53,526	45,497	35,862	29,439
288	Neurology--minor surgery	61,781	52,514	41,393	33,979
262	Nuclear Medicine	37,017	31,464	24,801	20,359
248	Nutrition	18,444	15,678	12,358	10,144
233	Occupational Medicine	18,444	15,678	12,358	10,144
259	Oncology--no surgery	37,017	31,464	24,801	20,359
286	Oncology--minor surgery	53,526	45,497	35,862	29,439
263	Ophthalmology--no surgery	24,635	20,940	16,506	13,549
289	Ophthalmology--minor surgery	28,762	24,448	19,271	15,819
264	Otology--no surgery	18,444	15,678	12,358	10,144
290	Otology--minor surgery	53,526	45,497	35,862	29,439
265	Otorhinolaryngology--no surgery	18,444	15,678	12,358	10,144
291	Otorhinolaryngology--minor surgery	53,526	45,497	35,862	29,439

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Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
266	Pathology--no surgery	24,635	20,940	16,506	13,549
292	Pathology--minor surgery	53,526	45,497	35,862	29,439
267	Pediatrics--no surgery	28,762	24,448	19,271	15,819
293	Pediatrics--minor surgery	53,526	45,497	35,862	29,439
234	Pharmacology	28,762	24,448	19,271	15,819
235	Physiatry or Physical Medicine and Rehabilitation	18,444	15,678	12,358	10,144
437	Physicians--no major surgery--acupuncture	53,526	45,497	35,862	29,439
425	Physicians--no major surgery--lasers; radiation therapy	47,335	40,235	31,715	26,034
802	Physicians--no major surgery--sclerotherapy	53,526	45,497	35,862	29,439
431	Physicians--no major surgery--shock therapy	53,526	45,497	35,862	29,439
268	Physicians--not otherwise classified--no surgery	37,017	31,464	24,801	20,359
294	Physicians--not otherwise classified--minor surgery	53,526	45,497	35,862	29,439
231	Preventive Medicine	18,444	15,678	12,358	10,144
249	Psychiatry	24,635	20,940	16,506	13,549
250	Psychoanalysis	18,444	15,678	12,358	10,144
251	Psychosomatic Medicine	18,444	15,678	12,358	10,144
236	Public Health	18,444	15,678	12,358	10,144
269	Pulmonary Diseases--no surgery	47,335	40,235	31,715	26,034
298	Pulmonary Diseases--minor surgery	67,972	57,776	45,541	37,384
253	Radiology--diagnostic--no surgery	47,335	40,235	31,715	26,034
280	Radiology--diagnostic--minor surgery	67,972	57,776	45,541	37,384
425	Radiology--therapeutic	47,335	40,235	31,715	26,034
252	Rheumatology--no surgery	24,635	20,940	16,506	13,549
247	Rhinology--no surgery	18,444	15,678	12,358	10,144
270	Rhinology--minor surgery	53,526	45,497	35,862	29,439
166	Surgery--abdominal	113,371	96,366	75,959	62,354
101	Surgery--broncho-esophagology	76,226	64,792	51,071	41,924
141	Surgery--cardiac	150,512	127,935	100,843	82,782
150	Surgery--cardiovascular disease	150,512	127,935	100,843	82,782
115	Surgery--colon and rectal	67,972	57,776	45,541	37,384
472	Surgery--dermatology	76,226	64,792	51,071	41,924
157	Surgery--emergency medicine	129,876	110,395	87,017	71,432
103	Surgery--endocrinology	67,972	57,776	45,541	37,384
117	Surgery--family/general practice	76,226	64,792	51,071	41,924

Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
104	Surgery--gastroenterology	76,226	64,792	51,071	41,924
143	Surgery--general--not otherwise classified	113,371	96,366	75,959	62,354
105	Surgery--geriatrics	76,226	64,792	51,071	41,924
167	Surgery--gynecology	76,226	64,792	51,071	41,924
169	Surgery--hand	76,226	64,792	51,071	41,924
170	Surgery--head and neck	76,226	64,792	51,071	41,924
106	Surgery--laryngology	76,226	64,792	51,071	41,924
474	Surgery--neonatology or pediatrics	117,499	99,874	78,724	64,624
107	Surgery--neoplastic	76,226	64,792	51,071	41,924
108	Surgery--nephrology	76,226	64,792	51,071	41,924
152	Surgery--neurology	261,948	222,656	175,505	144,072
168	Surgery--obstetrics	158,767	134,952	106,374	87,322
153	Surgery--obstetrics--gynecology	158,767	134,952	106,374	87,322
560	Surgery--obstetrics--gynecology --0 to 49 deliveries	119,075	101,214	79,780	65,491
561	--50 to 69 deliveries	127,013	107,961	85,099	69,857
562	--70 to 89 deliveries	134,951	114,709	90,417	74,223
563	--90 to 109 deliveries	142,891	121,457	95,737	78,590
564	--110 to 129 deliveries	150,829	128,204	101,055	82,956
565	--130 to 149 deliveries	158,767	134,952	106,374	87,322
566	--150 to 169 deliveries	174,528	148,349	116,934	95,991
567	--170 to 189 deliveries	190,520	161,942	127,649	104,786
568	--190 to 209 deliveries	206,397	175,437	138,286	113,518
569	--210 to 229 deliveries	222,274	188,933	148,924	122,251
570	--230 to 249 deliveries	238,150	202,428	159,561	130,983
571	--250 to 269 deliveries	254,026	215,922	170,198	139,715
572	--270 to 289 deliveries	269,904	229,418	180,836	148,447
573	--290 or more deliveries	285,780	242,913	191,473	157,179
114	Surgery--ophthalmology	37,017	31,464	24,801	20,359
804	Surgery--ophthalmology--plastic	76,226	64,792	51,071	41,924
154	Surgery--orthopedic	171,149	145,476	114,670	94,132
164	Surgery--orthopedic--without procedures on the back	129,876	110,395	87,017	71,432
158	Surgery--otology	76,226	64,792	51,071	41,924
159	Surgery--otorhinolaryngology	67,972	57,776	45,541	37,384
156	Surgery--plastic--not otherwise classified	129,876	110,395	87,017	71,432
155	Surgery--plastic--otorhinolaryngology	129,876	110,395	87,017	71,432
160	Surgery--rhinology	76,226	64,792	51,071	41,924
144	Surgery--thoracic	150,512	127,935	100,843	82,782
171	Surgery--traumatic	150,512	127,935	100,843	82,782
145	Surgery--urological	61,781	52,514	41,393	33,979

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Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
146	Surgery--vascular	150,512	127,935	100,843	82,782
803	Surgery--vascular--peripheral	117,499	99,874	78,724	64,624
424	Urgent Care Medicine	37,017	31,464	24,801	20,359

C. Mature Claims-made Rates--Dentists

212	Dental Surgeons--Oral or Maxillofacial-- Engaged in oral surgery or operative dentistry on patients rendered unconscious through the administering of any anesthesia or analgesia	40,915	34,777	27,413	22,503
210	Dentists--Engaged in oral surgery or operative dentistry; patients rendered unconscious through the administering of any anesthesia or analgesia	20,459	17,390	13,707	11,252
211	Dentists--not otherwise classified	8,183	6,956	5,483	4,501

D. Emergency Room Groups ("Per patient visit" basis)

21.20	18.02	14.20	11.66
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Separate limits per member physician may be purchased for an additional 20% charge.

E. Urgent Care Groups ("Per patient visit" basis)

6.01	5.11	4.03	3.31
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Separate limits per member physician may be purchased for an additional 20% charge.

F. Outpatient Surgery Centers (Surgicenters) ("Per patient visit" basis)

3,006	2,555	2,014	1,653
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Separate limits per member physician may be purchased for an additional 20% charge.

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- H. Limits that are less than these primary-limits of insurance may be purchased at premiums derived from applying the following factors to the full primary-limits premium (not including any credit applied for a deductible):

\$ 100,000/\$ 300,000	0.46
\$ 200,000/\$ 600,000	0.59
\$ 250,000/\$ 750,000	0.64
\$ 300,000/\$ 900,000	0.69
\$ 500,000/\$1,500,000	0.82
\$ 750,000/\$2,250,000	0.92
\$1,000,000/\$1,000,000	0.98

- G. Claims-made Maturity Factors

(Applied to the mature basic limits rates.)

First Year	0.250
Second Year	0.500
Third Year	0.780
Fourth Year	0.925
Mature	1.000

- H. Reporting Period Extension Coverage.

To calculate reporting period extension premium, the following factors will be applied to the expiring, or terminated, annual premium of all policies that terminate for any reason. Any discounts or surcharges of the terminated premium will be included in this calculation. Every terminated insured may purchase either an unlimited, or a first-year installment reporting period extension. See Rule II. D. 4. Reporting period extensions are non-cancellable: Therefore the full premium must be received before the extension can be issued.

First Year Claims-made Policy	3.67
Second Year	3.11
Third Year	2.33
Fourth Year	2.17
Mature	2.05

- I. Quarterly Installment Payment Plan.

Premiums of any amount are payable in four equal installments (25% each) with no interest, service fee, or other charge. Any mid-term additional charges will be added in equal amounts to any remaining installments. If no installments remain

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payable, the full amount of the additional charge will be billed for immediate payment. Premiums for reporting period extensions must be paid in full when due.

Neuman, Gayle

From: Dave Sloan [dsloan@plica.com]
Sent: Wednesday, August 29, 2007 7:11 AM
To: Neuman, Gayle
Subject: RE: Rate Filing #RF2
Attachments: PLICA Illinois Certification for MM Rates_081307.pdf; IL Rates Mnl 9-1-07.doc; Manual Changes Memorandum.doc

1. Actuarial certification attached.
2. PLICA collects its data and reports it directly to the Illinois Department of Insurance.
3. The "Manual Changes Memorandum" details the changes in the new rating manual from the former rules.
4. We have included an interest-free quarterly payment plan in the Illinois Exception Pages. Please see the latest version of the 9/1/07 Illinois rates and exception pages attached.

We apologize for not getting this response to you earlier. We've had electric power and air conditioning issues in our building, although, the real reason for this delay is that we either forgot that there was a deadline or overlooked it. We'll be more prompt in the future.

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Tue 8/14/2007 9:02 AM
To: Dave Sloan
Subject: Rate Filing #RF2

Mr. Sloan,

We are in receipt of the above referenced filing submitted with your letter dated August 6, 2007.

The following information/documentation is required before the filing can be reviewed any further:

1. 215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.
2. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?
3. 50 Ill. Adm. Code 929.30 requires identification of all changes from superseding filings. Additionally, we request a written statement indicating the only changes made to the filing have been disclosed to this Division.
4. There was no mention of a installment payment plan in the manual. All companies writing medical liability insurance shall file with the Secretary or Director a plan to offer each medical liability insured the option to make premium payments, in at least quarterly installments. For purposes of this requirement, insurers may, but are not required to, offer such premium installment plans to insureds whose annual premiums are less than \$500, or for premium for any extension of a reporting period. Quarterly installment premium payment plans subject to this Section shall be included in the initial offer of the policy, or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer may, but need not re-offer such payment plan, but if an insured requests such payment plan at a later date, the insurer must make it available. All quarterly installment premium payment plan provisions shall be contained in the filed rate and/or rule manual in a section entitled, "Quarterly Installment Option" or a substantially similar title. If the company uses a substantially similar title, the Rule Submission Letter

must indicate the name of the section that complies with this requirement. All quarterly installment premium payment plans shall include the minimum standards listed below. Insurers may provide for quarterly installment premium payment plans that differ from these minimum standards, as long as such plans have terms that are at least as or more favorable than those listed below.

- a) An initial payment of no more than 40% of the estimated total premium due at policy inception;
- b) The remaining premium spread equally among the second, third, and fourth installments, with the maximum for such installments set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively;
- c) No interest charges;
- d) Installment charges or fees of no more than 1% of the total premium or \$25.00, whichever is less;
- e) A provision stating that additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

We request receipt of your response by no later than August 24, 2007.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: Gayle.Neuman@illinois.gov



A MILLIMAN GLOBAL FIRM

Milliman

Consultants and Actuaries

One Pennsylvania Plaza, 38th Floor
New York, NY 10119
Tel +1 646 473.3000
Fax +1 646 473.3499
www.milliman.com

August 13, 2007

Ms. Gayle Neuman
Division of Insurance
Illinois Department of Financial and Professional Regulation
320 West Washington Street
Springfield, IL 62767-0001

Re: PLICA – Illinois Certification for Medical Malpractice Rates

We, Jason L. Russ and Joel A. Vaag, duly authorized actuaries with Milliman, Inc., are authorized to certify on behalf of Professional Liability Insurance Company of America making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that we are knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

MILLIMAN, INC.

By: _____

By: _____

Name: Jason L. Russ

Name: Joel A. Vaag

Title: Principal & Consulting Actuary

Title: Principal & Consulting Actuary

Date: August 13, 2007

Date: August 13, 2007

Rating Manual Changes Effective September 1, 2007

The September 1, 2007, PLICA rating manual is an entire re-write of, and with no reference to, the former rating manual first filed to be effective June 1, 2004. Since we cannot indicate changes of the former with asterisks, underlining, capital letters, and/or cross-outs, we list here every substantive change from the former PLICA rating rules to the new.

1. The organization of these rating rules and its format have been changed. Illinois rates and rules are now in two parts: a common multi-state rules section and an Illinois-specific rates and rules section. Formerly, PLICA relied on a single separate and unique Illinois rating manual.
2. Rule I. B. of the new manual: Future changes will be shown in subsequent versions of this manual by an asterisk in the margin. No such rule was included in the former manual.
3. The new manual does not refer to commercial general liability. PLICA has never offered, nor intends to offer, general liability insurance. (I. A. of the old manual.)
4. Item I. C. of the old manual was ambiguously worded. Mid-term changes in exposure are to be rated according to the rates in effect as of the policy inception.
5. I. D. of the old: Language regarding how the named insured is named on the declarations page for policy issuance and endorsement has been removed and not replaced. Although this procedure will continue, it isn't necessary to include this rule in a rating manual.
6. II. A., Rates, of the old, is substantively the same. Primary limits remain \$1,000,000/\$3,000,000. The highest rating of two rating classes applies. The replacement language is included in II. A. and III B. of the new. The former underwriting requirement (although it continues to be an underwriting requirement) of same limits by employers and employees has been removed from this manual and not replaced.
7. The new rule II.D. notes that the manual rates are mature claims-made rates (not noted in the former rules).
8. The \$500 minimum premium remains the same. II. C. in the former manual and, coincidentally, II. C. in the new. The new rule removes the contradictory language that short-term policies will also be written at the annual minimum of \$500: If it's an "annual" minimum premium why would it apply to a short-term policy? The new rule refers to a simple policy minimum premium.
9. Deductibles are provided for by rule VI of the new rules (II.C. of the old.) References to non-standard risks or imposed deductibles have been eliminated. All references to surcharges for non-standard risks have been moved to the merit-rating section, VIII. C.
10. More detail is provided with regard to the rating of extended reporting endorsements in II. D. 4. of the new manual (II. D. of the old).

11. The new manual includes rules for providing occurrence coverage and pre-paid tail claims-made coverage (II. D. 5. and 6., not included in the old rating manual.) (PLICA has no plans to offer either occurrence coverage or pre-paid tail coverage for the foreseeable future. If PLICA ever does make these products available, this is how they would be rated.)
12. The “Part-Time Eligibility” rule (II. E. of the old manual) has been deleted. The only part-time rule in the new manual is the first rule of the new Special Rating Rules (IV. A.)
13. Rule II. F., Prior Acts/Retroactive Coverage has been eliminated in favor of more traditional claims-made rating with claims-made steps. Specific rating steps, including the application of claims-made step factors are included in new rule II E.
14. Former II. F. has been deleted and not replaced. Cancellations are explained in the policy wording. Extended reporting period coverage is explained in II. D. 4.
15. Former Rule II. H., Risk Adjustments, has been deleted and not replaced.
16. Rule III, Classification Procedure, has been shortened in the new manual. Underwriting considerations have been removed; the classification definitions have remained essentially the same.
17. Rule IV., Rating Steps, is now Rule II. E.
18. Rule V. Deductibles is now Rule VI. The new rule and factors are essentially the same as the old.
19. Rule VI., A., Maximum Credit/Maximum Debit, has been eliminated and not replaced.
20. Rule VI, B., Part-time coverage, is now re-written as Rule IV. A.
21. Rule VI, C., Teaching Credits, has been deleted and not replaced in the new manual.
22. Rule VI., D. and E., new-to-practice credits, are included in Rule IV., B. We’ve dropped the third-year in practice credit.
23. Rule VI. F., “moon-lighting” discounts, have been eliminated.
24. Rule VI. G., fellows, residents and interns, is shortened and included as rule IV. C.
25. Rule VI. I. Group Size Discount, has been eliminated. We no longer give discounts based on risk size alone.
26. Rule VI. J, Suspension of Coverage, is replaced by Rule IV. I. in the new manual pages.
27. Rule VI. K., Claims-made Extended Reporting Period coverage, is now included as Rule II. D. 4., and remains essentially the same.
28. Rule VII A., Locum tenens coverage is included as Rule VII B. of the new manual.
29. Rule VII B., DDR coverage has been deleted and not replaced. The 55 five years’ coverage “free” tail rule is contained in the insurance contract: It need not be included in the rating rules.
30. The waiver of the consent to settle discount is now included as Rule IV. G.
31. Rule VIII., Professional Liability Entity Coverage, has been incorporated into Rule VII, Additional Interests, C. and D. The charge for a separate limit for a

corporation is now 15% of the highest rated seven members of the group. The former rule was 25% of all members of the corporation.

32. Rating rules for ancillary employees is now included in the new Rule VII, Additional Interest Rule.
33. Rule IX, General Liability, has been deleted and not replaced. PLICA will not offer general liability coverage.
34. Rule X., Full-time equivalent rating, has been deleted and not replaced.
35. Rule XI, Merit-rating, is now Rule X., of the new manual. The claim-free credit rule is essentially the same; schedule-rating remains essentially the same. The new rule includes a surcharge provision, which partially replaced Rule XII., Imposed surcharges and deductibles, of the former rules.
36. Rule XIII, Sizable Risk Rating, is now included, essentially unchanged, as IV. Special Rules, H.
37. Specific Illinois Territories, rates, claims-made step factors, and “tail” factors are now included in a separate Illinois Exceptions section.

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IX. RATES, STATE RULES EXCEPTIONS--Illinois

A. Illinois Rating Territories

Territory 1: Cook, Madison and St. Clair Counties

Territory 2: DuPage, Jackson, Kane, Lake, McHenry, Vermilion and Will Counties

Territory 3: Champaign, Coles, DeKalb, Effingham, Kankakee, LaSalle, Macon,
 Sangamon and Winnebago Counties

Territory 4: Remainder of Illinois

B. Mature Claims-made Rates--Physicians and Surgeons

Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
229	Addictionology	18,444	15,678	12,358	10,144
230	Aerospace Medicine	24,635	20,940	16,506	13,549
254	Allergy	18,444	15,678	12,358	10,144
151	Anesthesiology	47,335	40,235	31,715	26,034
196	Anesthesiology--pain management	47,335	40,235	31,715	26,034
255	Cardiovascular Disease--no surgery	39,081	33,219	26,184	21,494
281	Cardiovascular Disease--minor surgery	67,972	57,776	45,541	37,384
256	Dermatology--no surgery	24,635	20,940	16,506	13,549
282	Dermatology--minor surgery	28,762	24,448	19,271	15,819
237	Diabetes--no surgery	37,017	31,464	24,801	20,359
271	Diabetes--minor surgery	39,081	33,219	26,184	21,494
102	Emergency Medicine--no major surgery	67,972	57,776	45,541	37,384
157	Emergency Medicine--major surgery	129,876	110,395	87,017	71,432
238	Endocrinology--no surgery	24,635	20,940	16,506	13,549
272	Endocrinology--minor surgery	37,017	31,464	24,801	20,359
420	Family/General Practitioners--no surgery	37,017	31,464	24,801	20,359
421	Family/General Practitioners--minor surgery	57,653	49,005	38,628	31,709
521	Family/General Practitioners--minor surgery --0 to 24 deliveries	57,653	49,005	38,628	31,709
240	Forensic or Legal Medicine	18,444	15,678	12,358	10,144
241	Gastroenterology--no surgery	53,526	45,497	35,862	29,439
274	Gastroenterology--minor surgery	53,526	45,497	35,862	29,439
231	General Preventive Medicine--no surgery	18,444	15,678	12,358	10,144
243	Geriatrics--no surgery	24,635	20,940	16,506	13,549

Effective: September 1, 2007

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Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
276	Geriatrics--minor surgery	47,335	40,235	31,715	26,034
244	Gynecology--no surgery	43,208	36,727	28,949	23,764
277	Gynecology--minor surgery	67,972	57,776	45,541	37,384
245	Hematology--no surgery	37,017	31,464	24,801	20,359
278	Hematology--minor surgery	53,526	45,497	35,862	29,439
805	Hospitalists	43,208	36,727	28,949	23,764
232	Hypnosis	18,444	15,678	12,358	10,144
246	Infectious Diseases--no surgery	39,081	33,219	26,184	21,494
279	Infectious Diseases--minor surgery	76,226	64,792	51,071	41,924
283	Intensive Care Medicine	43,208	36,727	28,949	23,764
257	Internal Medicine--no surgery	37,017	31,464	24,801	20,359
284	Internal Medicine--minor surgery	53,526	45,497	35,862	29,439
258	Laryngology--no surgery	18,444	15,678	12,358	10,144
285	Laryngology--minor surgery	53,526	45,497	35,862	29,439
801	Manipulative Medicine	18,444	15,678	12,358	10,144
471	Neonatology--no surgery	76,226	64,792	51,071	41,924
476	Neonatology--minor surgery	113,371	96,366	75,959	62,354
259	Neoplastic Diseases--no surgery	37,017	31,464	24,801	20,359
286	Neoplastic Diseases--minor surgery	39,081	33,219	26,184	21,494
260	Nephrology--no surgery	39,081	33,219	26,184	21,494
287	Nephrology--minor surgery	47,335	40,235	31,715	26,034
261	Neurology--no surgery	53,526	45,497	35,862	29,439
288	Neurology--minor surgery	61,781	52,514	41,393	33,979
262	Nuclear Medicine	37,017	31,464	24,801	20,359
248	Nutrition	18,444	15,678	12,358	10,144
233	Occupational Medicine	18,444	15,678	12,358	10,144
259	Oncology--no surgery	37,017	31,464	24,801	20,359
286	Oncology--minor surgery	53,526	45,497	35,862	29,439
263	Ophthalmology--no surgery	24,635	20,940	16,506	13,549
289	Ophthalmology--minor surgery	28,762	24,448	19,271	15,819
264	Otology--no surgery	18,444	15,678	12,358	10,144
290	Otology--minor surgery	53,526	45,497	35,862	29,439
265	Otorhinolaryngology--no surgery	18,444	15,678	12,358	10,144
291	Otorhinolaryngology--minor surgery	53,526	45,497	35,862	29,439

Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
266	Pathology--no surgery	24,635	20,940	16,506	13,549
292	Pathology--minor surgery	53,526	45,497	35,862	29,439
267	Pediatrics--no surgery	28,762	24,448	19,271	15,819
293	Pediatrics--minor surgery	53,526	45,497	35,862	29,439
234	Pharmacology	28,762	24,448	19,271	15,819
235	Physiatry or Physical Medicine and Rehabilitation	18,444	15,678	12,358	10,144
437	Physicians--no major surgery--acupuncture	53,526	45,497	35,862	29,439
425	Physicians--no major surgery--lasers; radiation therapy	47,335	40,235	31,715	26,034
802	Physicians--no major surgery--sclerotherapy	53,526	45,497	35,862	29,439
431	Physicians--no major surgery--shock therapy	53,526	45,497	35,862	29,439
268	Physicians--not otherwise classified--no surgery	37,017	31,464	24,801	20,359
294	Physicians--not otherwise classified--minor surgery	53,526	45,497	35,862	29,439
231	Preventive Medicine	18,444	15,678	12,358	10,144
249	Psychiatry	24,635	20,940	16,506	13,549
250	Psychoanalysis	18,444	15,678	12,358	10,144
251	Psychosomatic Medicine	18,444	15,678	12,358	10,144
236	Public Health	18,444	15,678	12,358	10,144
269	Pulmonary Diseases--no surgery	47,335	40,235	31,715	26,034
298	Pulmonary Diseases--minor surgery	67,972	57,776	45,541	37,384
253	Radiology--diagnostic--no surgery	47,335	40,235	31,715	26,034
280	Radiology--diagnostic--minor surgery	67,972	57,776	45,541	37,384
425	Radiology--therapeutic	47,335	40,235	31,715	26,034
252	Rheumatology--no surgery	24,635	20,940	16,506	13,549
247	Rhinology--no surgery	18,444	15,678	12,358	10,144
270	Rhinology--minor surgery	53,526	45,497	35,862	29,439
166	Surgery--abdominal	113,371	96,366	75,959	62,354
101	Surgery--broncho-esophagology	76,226	64,792	51,071	41,924
141	Surgery--cardiac	150,512	127,935	100,843	82,782
150	Surgery--cardiovascular disease	150,512	127,935	100,843	82,782
115	Surgery--colon and rectal	67,972	57,776	45,541	37,384
472	Surgery--dermatology	76,226	64,792	51,071	41,924
157	Surgery--emergency medicine	129,876	110,395	87,017	71,432
103	Surgery--endocrinology	67,972	57,776	45,541	37,384
117	Surgery--family/general practice	76,226	64,792	51,071	41,924

Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
104	Surgery--gastroenterology	76,226	64,792	51,071	41,924
143	Surgery--general--not otherwise classified	113,371	96,366	75,959	62,354
105	Surgery--geriatrics	76,226	64,792	51,071	41,924
167	Surgery--gynecology	76,226	64,792	51,071	41,924
169	Surgery--hand	76,226	64,792	51,071	41,924
170	Surgery--head and neck	76,226	64,792	51,071	41,924
106	Surgery--laryngology	76,226	64,792	51,071	41,924
474	Surgery--neonatology or pediatrics	117,499	99,874	78,724	64,624
107	Surgery--neoplastic	76,226	64,792	51,071	41,924
108	Surgery--nephrology	76,226	64,792	51,071	41,924
152	Surgery--neurology	261,948	222,656	175,505	144,072
168	Surgery--obstetrics	158,767	134,952	106,374	87,322
153	Surgery--obstetrics--gynecology	158,767	134,952	106,374	87,322
560	Surgery--obstetrics--gynecology --0 to 49 deliveries	119,075	101,214	79,780	65,491
561	--50 to 69 deliveries	127,013	107,961	85,099	69,857
562	--70 to 89 deliveries	134,951	114,709	90,417	74,223
563	--90 to 109 deliveries	142,891	121,457	95,737	78,590
564	--110 to 129 deliveries	150,829	128,204	101,055	82,956
565	--130 to 149 deliveries	158,767	134,952	106,374	87,322
566	--150 to 169 deliveries	174,528	148,349	116,934	95,991
567	--170 to 189 deliveries	190,520	161,942	127,649	104,786
568	--190 to 209 deliveries	206,397	175,437	138,286	113,518
569	--210 to 229 deliveries	222,274	188,933	148,924	122,251
570	--230 to 249 deliveries	238,150	202,428	159,561	130,983
571	--250 to 269 deliveries	254,026	215,922	170,198	139,715
572	--270 to 289 deliveries	269,904	229,418	180,836	148,447
573	--290 or more deliveries	285,780	242,913	191,473	157,179
114	Surgery--ophthalmology	37,017	31,464	24,801	20,359
804	Surgery--ophthalmology--plastic	76,226	64,792	51,071	41,924
154	Surgery--orthopedic	171,149	145,476	114,670	94,132
164	Surgery--orthopedic--without procedures on the back	129,876	110,395	87,017	71,432
158	Surgery--otology	76,226	64,792	51,071	41,924
159	Surgery--otorhinolaryngology	67,972	57,776	45,541	37,384
156	Surgery--plastic--not otherwise classified	129,876	110,395	87,017	71,432
155	Surgery--plastic--otorhinolaryngology	129,876	110,395	87,017	71,432
160	Surgery--rhinology	76,226	64,792	51,071	41,924
144	Surgery--thoracic	150,512	127,935	100,843	82,782
171	Surgery--traumatic	150,512	127,935	100,843	82,782
145	Surgery--urological	61,781	52,514	41,393	33,979

Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
146	Surgery--vascular	150,512	127,935	100,843	82,782
803	Surgery--vascular--peripheral	117,499	99,874	78,724	64,624
424	Urgent Care Medicine	37,017	31,464	24,801	20,359

C. Mature Claims-made Rates--Dentists

212	Dental Surgeons--Oral or Maxillofacial-- Engaged in oral surgery or operative dentistry on patients rendered unconscious through the administering of any anesthesia or analgesia	40,915	34,777	27,413	22,503
210	Dentists--Engaged in oral surgery or operative dentistry; patients rendered unconscious through the administering of any anesthesia or analgesia	20,459	17,390	13,707	11,252
211	Dentists--not otherwise classified	8,183	6,956	5,483	4,501

D. Emergency Room Groups ("Per patient visit" basis)

21.20	18.02	14.20	11.66
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Separate limits per member physician may be purchased for an additional 20% charge.

E. Urgent Care Groups ("Per patient visit" basis)

6.01	5.11	4.03	3.31
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Separate limits per member physician may be purchased for an additional 20% charge.

F. Outpatient Surgery Centers (Surgicenters) ("Per patient visit" basis)

3,006	2,555	2,014	1,653
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Separate limits per member physician may be purchased for an additional 20% charge.

Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

- H. Limits that are less than these primary-limits of insurance may be purchased at premiums derived from applying the following factors to the full primary-limits premium (not including any credit applied for a deductible):

\$ 100,000/\$ 300,000	0.46
\$ 200,000/\$ 600,000	0.59
\$ 250,000/\$ 750,000	0.64
\$ 300,000/\$ 900,000	0.69
\$ 500,000/\$1,500,000	0.82
\$ 750,000/\$2,250,000	0.92
\$1,000,000/\$1,000,000	0.98

- G. Claims-made Maturity Factors

(Applied to the mature basic limits rates.)

First Year	0.250
Second Year	0.500
Third Year	0.780
Fourth Year	0.925
Mature	1.000

- H. Reporting Period Extension Factors.

(Applied to the expiring, or terminated policy, annual premium.)

First Year	3.67
Second Year	3.11
Third Year	2.33
Fourth Year	2.17
Mature	2.05

- I. Quarterly Installment Payment Plan.

Premiums are payable in four equal installments for no interest, service fee, or other charge.

Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

IX. RATES, STATE RULES EXCEPTIONS--Illinois

A. Illinois Rating Territories

Territory 1: Cook, Madison and St. Clair Counties

Territory 2: DuPage, Jackson, Kane, Lake, McHenry, Vermilion and Will Counties

Territory 3: Champaign, Coles, DeKalb, Effingham, Kankakee, LaSalle, Macon,
 Sangamon and Winnebago Counties

Territory 4: Remainder of Illinois

B. Mature Claims-made Rates--Physicians and Surgeons

Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
229	Addictionology	18,444	15,678	12,358	10,144
230	Aerospace Medicine	24,635	20,940	16,506	13,549
254	Allergy	18,444	15,678	12,358	10,144
151	Anesthesiology	47,335	40,235	31,715	26,034
196	Anesthesiology--pain management	47,335	40,235	31,715	26,034
255	Cardiovascular Disease--no surgery	39,081	33,219	26,184	21,494
281	Cardiovascular Disease--minor surgery	67,972	57,776	45,541	37,384
256	Dermatology--no surgery	24,635	20,940	16,506	13,549
282	Dermatology--minor surgery	28,762	24,448	19,271	15,819
237	Diabetes--no surgery	37,017	31,464	24,801	20,359
271	Diabetes--minor surgery	39,081	33,219	26,184	21,494
102	Emergency Medicine--no major surgery	67,972	57,776	45,541	37,384
157	Emergency Medicine--major surgery	129,876	110,395	87,017	71,432
238	Endocrinology--no surgery	24,635	20,940	16,506	13,549
272	Endocrinology--minor surgery	37,017	31,464	24,801	20,359
420	Family/General Practitioners--no surgery	37,017	31,464	24,801	20,359
421	Family/General Practitioners--minor surgery	57,653	49,005	38,628	31,709
521	Family/General Practitioners--minor surgery --0 to 24 deliveries	57,653	49,005	38,628	31,709
240	Forensic or Legal Medicine	18,444	15,678	12,358	10,144
241	Gastroenterology--no surgery	53,526	45,497	35,862	29,439
274	Gastroenterology--minor surgery	53,526	45,497	35,862	29,439
231	General Preventive Medicine--no surgery	18,444	15,678	12,358	10,144
243	Geriatrics--no surgery	24,635	20,940	16,506	13,549

Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
276	Geriatrics--minor surgery	47,335	40,235	31,715	26,034
244	Gynecology--no surgery	43,208	36,727	28,949	23,764
277	Gynecology--minor surgery	67,972	57,776	45,541	37,384
245	Hematology--no surgery	37,017	31,464	24,801	20,359
278	Hematology--minor surgery	53,526	45,497	35,862	29,439
805	Hospitalists	43,208	36,727	28,949	23,764
232	Hypnosis	18,444	15,678	12,358	10,144
246	Infectious Diseases--no surgery	39,081	33,219	26,184	21,494
279	Infectious Diseases--minor surgery	76,226	64,792	51,071	41,924
283	Intensive Care Medicine	43,208	36,727	28,949	23,764
257	Internal Medicine--no surgery	37,017	31,464	24,801	20,359
284	Internal Medicine--minor surgery	53,526	45,497	35,862	29,439
258	Laryngology--no surgery	18,444	15,678	12,358	10,144
285	Laryngology--minor surgery	53,526	45,497	35,862	29,439
801	Manipulative Medicine	18,444	15,678	12,358	10,144
471	Neonatology--no surgery	76,226	64,792	51,071	41,924
476	Neonatology--minor surgery	113,371	96,366	75,959	62,354
259	Neoplastic Diseases--no surgery	37,017	31,464	24,801	20,359
286	Neoplastic Diseases--minor surgery	39,081	33,219	26,184	21,494
260	Nephrology--no surgery	39,081	33,219	26,184	21,494
287	Nephrology--minor surgery	47,335	40,235	31,715	26,034
261	Neurology--no surgery	53,526	45,497	35,862	29,439
288	Neurology--minor surgery	61,781	52,514	41,393	33,979
262	Nuclear Medicine	37,017	31,464	24,801	20,359
248	Nutrition	18,444	15,678	12,358	10,144
233	Occupational Medicine	18,444	15,678	12,358	10,144
259	Oncology--no surgery	37,017	31,464	24,801	20,359
286	Oncology--minor surgery	53,526	45,497	35,862	29,439
263	Ophthalmology--no surgery	24,635	20,940	16,506	13,549
289	Ophthalmology--minor surgery	28,762	24,448	19,271	15,819
264	Otology--no surgery	18,444	15,678	12,358	10,144
290	Otology--minor surgery	53,526	45,497	35,862	29,439
265	Otorhinolaryngology--no surgery	18,444	15,678	12,358	10,144
291	Otorhinolaryngology--minor surgery	53,526	45,497	35,862	29,439

Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
266	Pathology--no surgery	24,635	20,940	16,506	13,549
292	Pathology--minor surgery	53,526	45,497	35,862	29,439
267	Pediatrics--no surgery	28,762	24,448	19,271	15,819
293	Pediatrics--minor surgery	53,526	45,497	35,862	29,439
234	Pharmacology	28,762	24,448	19,271	15,819
235	Physiatry or Physical Medicine and Rehabilitation	18,444	15,678	12,358	10,144
437	Physicians--no major surgery--acupuncture	53,526	45,497	35,862	29,439
425	Physicians--no major surgery--lasers; radiation therapy	47,335	40,235	31,715	26,034
802	Physicians--no major surgery--sclerotherapy	53,526	45,497	35,862	29,439
431	Physicians--no major surgery--shock therapy	53,526	45,497	35,862	29,439
268	Physicians--not otherwise classified--no surgery	37,017	31,464	24,801	20,359
294	Physicians--not otherwise classified--minor surgery	53,526	45,497	35,862	29,439
231	Preventive Medicine	18,444	15,678	12,358	10,144
249	Psychiatry	24,635	20,940	16,506	13,549
250	Psychoanalysis	18,444	15,678	12,358	10,144
251	Psychosomatic Medicine	18,444	15,678	12,358	10,144
236	Public Health	18,444	15,678	12,358	10,144
269	Pulmonary Diseases--no surgery	47,335	40,235	31,715	26,034
298	Pulmonary Diseases--minor surgery	67,972	57,776	45,541	37,384
253	Radiology--diagnostic--no surgery	47,335	40,235	31,715	26,034
280	Radiology--diagnostic--minor surgery	67,972	57,776	45,541	37,384
425	Radiology--therapeutic	47,335	40,235	31,715	26,034
252	Rheumatology--no surgery	24,635	20,940	16,506	13,549
247	Rhinology--no surgery	18,444	15,678	12,358	10,144
270	Rhinology--minor surgery	53,526	45,497	35,862	29,439
166	Surgery--abdominal	113,371	96,366	75,959	62,354
101	Surgery--broncho-esophagology	76,226	64,792	51,071	41,924
141	Surgery--cardiac	150,512	127,935	100,843	82,782
150	Surgery--cardiovascular disease	150,512	127,935	100,843	82,782
115	Surgery--colon and rectal	67,972	57,776	45,541	37,384
472	Surgery--dermatology	76,226	64,792	51,071	41,924
157	Surgery--emergency medicine	129,876	110,395	87,017	71,432
103	Surgery--endocrinology	67,972	57,776	45,541	37,384
117	Surgery--family/general practice	76,226	64,792	51,071	41,924

Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
104	Surgery--gastroenterology	76,226	64,792	51,071	41,924
143	Surgery--general--not otherwise classified	113,371	96,366	75,959	62,354
105	Surgery--geriatrics	76,226	64,792	51,071	41,924
167	Surgery--gynecology	76,226	64,792	51,071	41,924
169	Surgery--hand	76,226	64,792	51,071	41,924
170	Surgery--head and neck	76,226	64,792	51,071	41,924
106	Surgery--laryngology	76,226	64,792	51,071	41,924
474	Surgery--neonatology or pediatrics	117,499	99,874	78,724	64,624
107	Surgery--neoplastic	76,226	64,792	51,071	41,924
108	Surgery--nephrology	76,226	64,792	51,071	41,924
152	Surgery--neurology	261,948	222,656	175,505	144,072
168	Surgery--obstetrics	158,767	134,952	106,374	87,322
153	Surgery--obstetrics--gynecology	158,767	134,952	106,374	87,322
560	Surgery--obstetrics--gynecology				
	--0 to 49 deliveries	119,075	101,214	79,780	65,491
561	--50 to 69 deliveries	127,013	107,961	85,099	69,857
562	--70 to 89 deliveries	134,951	114,709	90,417	74,223
563	--90 to 109 deliveries	142,891	121,457	95,737	78,590
564	--110 to 129 deliveries	150,829	128,204	101,055	82,956
565	--130 to 149 deliveries	158,767	134,952	106,374	87,322
566	--150 to 169 deliveries	174,528	148,349	116,934	95,991
567	--170 to 189 deliveries	190,520	161,942	127,649	104,786
568	--190 to 209 deliveries	206,397	175,437	138,286	113,518
569	--210 to 229 deliveries	222,274	188,933	148,924	122,251
570	--230 to 249 deliveries	238,150	202,428	159,561	130,983
571	--250 to 269 deliveries	254,026	215,922	170,198	139,715
572	--270 to 289 deliveries	269,904	229,418	180,836	148,447
573	--290 or more deliveries	285,780	242,913	191,473	157,179
114	Surgery--ophthalmology	37,017	31,464	24,801	20,359
804	Surgery--ophthalmology--plastic	76,226	64,792	51,071	41,924
154	Surgery--orthopedic	171,149	145,476	114,670	94,132
164	Surgery--orthopedic--without procedures on the back	129,876	110,395	87,017	71,432
158	Surgery--otology	76,226	64,792	51,071	41,924
159	Surgery--otorhinolaryngology	67,972	57,776	45,541	37,384
156	Surgery--plastic--not otherwise classified	129,876	110,395	87,017	71,432
155	Surgery--plastic--otorhinolaryngology	129,876	110,395	87,017	71,432
160	Surgery--rhinology	76,226	64,792	51,071	41,924
144	Surgery--thoracic	150,512	127,935	100,843	82,782
171	Surgery--traumatic	150,512	127,935	100,843	82,782
145	Surgery--urological	61,781	52,514	41,393	33,979

Effective: September 1, 2007

Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
146	Surgery--vascular	150,512	127,935	100,843	82,782
803	Surgery--vascular--peripheral	117,499	99,874	78,724	64,624
424	Urgent Care Medicine	37,017	31,464	24,801	20,359

C. Mature Claims-made Rates--Dentists

212	Dental Surgeons--Oral or Maxillofacial-- Engaged in oral surgery or operative dentistry on patients rendered unconscious through the administering of any anesthesia or analgesia	40,915	34,777	27,413	22,503
210	Dentists--Engaged in oral surgery or operative dentistry; patients rendered unconscious through the administering of any anesthesia or analgesia	20,459	17,390	13,707	11,252
211	Dentists--not otherwise classified	8,183	6,956	5,483	4,501

D. Emergency Room Groups ("Per patient visit" basis)

21.20	18.02	14.20	11.66
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Separate limits per member physician may be purchased for an additional 20% charge.

E. Urgent Care Groups ("Per patient visit" basis)

6.01	5.11	4.03	3.31
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Separate limits per member physician may be purchased for an additional 20% charge.

F. Outpatient Surgery Centers (Surgicenters) ("Per patient visit" basis)

3,006	2,555	2,014	1,653
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Separate limits per member physician may be purchased for an additional 20% charge.

Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

- H. Limits that are less than these primary-limits of insurance may be purchased at premiums derived from applying the following factors to the full primary-limits premium (not including any credit applied for a deductible):

\$ 100,000/\$ 300,000	0.46
\$ 200,000/\$ 600,000	0.59
\$ 250,000/\$ 750,000	0.64
\$ 300,000/\$ 900,000	0.69
\$ 500,000/\$1,500,000	0.82
\$ 750,000/\$2,250,000	0.92
\$1,000,000/\$1,000,000	0.98

- G. Claims-made Maturity Factors

(Applied to the mature basic limits rates.)

First Year	0.250
Second Year	0.500
Third Year	0.780
Fourth Year	0.925
Mature	1.000

- H. Reporting Period Extension Factors.

(Applied to the expiring, or terminated policy, annual premium.)

First Year	3.67
Second Year	3.11
Third Year	2.33
Fourth Year	2.17
Mature	2.05

Neuman, Gayle

From: Dave Sloan [dsloan@plica.com]
Sent: Tuesday, August 28, 2007 3:56 PM
To: Neuman, Gayle
Subject: RE: Rate Filing #RF2

I'm sorry. I didn't notice the deadline. I'll have a response for you no later than tomorrow morning.

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Tue 8/28/2007 10:55 AM
To: Dave Sloan
Subject: FW: Rate Filing #RF2

Mr. Sloan,

The e-mail attached requested your response on this filing by August 24, 2007. Please advise.

Gayle Neuman
Division of Insurance

From: Neuman, Gayle
Sent: Tuesday, August 14, 2007 9:03 AM
To: 'dsloan@plica.com'
Subject: Rate Filing #RF2

Mr. Sloan,

We are in receipt of the above referenced filing submitted with your letter dated August 6, 2007.

The following information/documentation is required before the filing can be reviewed any further:

1. 215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.
2. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?
3. 50 Ill. Adm. Code 929.30 requires identification of all changes from superseding filings. Additionally, we request a written statement indicating the only changes made to the filing have been disclosed to this Division.
4. There was no mention of a installment payment plan in the manual. All companies writing medical liability insurance shall file with the Secretary or Director a plan to offer each medical liability insured the option to make premium payments, in at least quarterly installments. For purposes of this requirement, insurers may, but are not required to, offer such premium installment plans to insureds whose annual premiums are less than \$500, or for premium for any extension of a reporting period. Quarterly installment premium payment plans subject to this Section shall be included in the initial offer of the policy, or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer may, but need not re-offer such payment plan, but if an insured requests such payment plan at a later date, the insurer must make it available. All quarterly installment premium payment plan provisions shall be contained in the filed rate and/or rule manual in a section entitled, "Quarterly Installment Option" or a substantially similar title. If the company uses a substantially similar title, the Rule Submission Letter

must indicate the name of the section that complies with this requirement. All quarterly installment premium payment plans shall include the minimum standards listed below. Insurers may provide for quarterly installment premium payment plans that differ from these minimum standards, as long as such plans have terms that are at least as or more favorable than those listed below.

- a) An initial payment of no more than 40% of the estimated total premium due at policy inception;
- b) The remaining premium spread equally among the second, third, and fourth installments, with the maximum for such installments set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively;
- c) No interest charges;
- d) Installment charges or fees of no more than 1% of the total premium or \$25.00, whichever is less;
- e) A provision stating that additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

We request receipt of your response by no later than August 24, 2007.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO:
Gayle.Neuman@illinois.gov

**PROFESSIONAL LIABILITY INSURANCE
COMPANY OF AMERICA**

**ILLINOIS PHYSICIANS' RATES
EFFECTIVE JULY 1, 2007**

Prepared by:

Jason L. Russ, FCAS
Joel A. Vaag, FCAS

July 5, 2007



A MILLIMAN GLOBAL FIRM

Milliman

Consultants and Actuaries

One Pennsylvania Plaza, 38th Floor
New York, NY 10119
Tel +1 646 473.3000
Fax +1 646 473.3499
www.milliman.com

July 5, 2007

Mr. Howard Nathans
President
Professional Liability Insurance Co. of America
148 Three Ponds Lane
Malvern, PA 19355

Re: Illinois Physicians' Rates – Effective July 1, 2007

Dear Mr. Nathans:

This report has been prepared in support of Professional Liability Insurance Company of America's ("PLICA") proposed rate level changes to be effective July 1, 2007 for claims-made physicians' professional liability ("PPL") coverage in Illinois.

We have calculated Illinois PPL rates that are based on information contained in the most recent ISMIE Mutual Insurance Company ("ISMIE") PPL rate filing available¹, tailored to be more applicable to Illinois physician business written by PLICA (as described below in the "Overall Rate Level" section of this memo).

The selected base rate of \$37,017, which is developed in Exhibit 2, is **9.7%** less than the current PLICA base rate of \$41,000.

PLICA is also proposing to change class definitions and relativities as well as territory relativities. The proposed class relativities are generally the same as those currently used by ISMIE, except as noted in the "Class Relativities" section, below; these proposed class relativities are shown in Appendix A. The proposed territory relativities are shown in Exhibit 3, and are based on a comparison to territory relativities used by peer companies. Our estimate of the overall rate effect of enacting the proposed class and territory relativity changes is an **11.3%** rate reduction, as shown on Exhibit 1. The current and proposed PLICA average class and territory pure premium relativities were calculated using individual doctor policy detail provided by PLICA.

The combined rate effect of the base rate change and the change to the class and territory relativities is a **19.9%** rate reduction, which is also displayed on Exhibit 1.

¹ The effective date of this ISMIE filing is July 1, 2006.

OVERALL RATE LEVEL

Due to the limited volume of PLICA Illinois loss² experience to-date, we have reviewed the ISMIE PPL rate filing referenced above in order to evaluate the overall adequacy of PLICA's proposed rate changes. ISMIE is currently the largest writer of PPL coverage in Illinois; PLICA believes the ISMIE rate filing provides a reasonable source of information for use in estimating Illinois expected loss experience for PLICA as the filing presents a full actuarial analysis of a credible set of data.

The selected base rate was developed in Exhibit 2 and is based on the Family Physician – No Surgery (ISO code 80420) pure premium excluding charges for death, disability and retirement (“DDR”) coverage from the ISMIE rate filing cited above.

Internal Expenses

The base rate displayed in Exhibit 2 includes a loading for internal expenses (and profit). PLICA has informed us that 34% is its current target for internal expenses, which include the following items:

- Commissions
- General expenses
- Other acquisition expenses
- Taxes, licenses and fees.

We understand that actual PLICA expense ratios to-date have been higher than the 34% expense load target, mainly due to the incorporation of start-up costs into the expense totals.

Rates are targeted to a 100% combined ratio on an undiscounted basis. Appendix B shows that, if credit is given for investment income on funds held as reserves, the provision for profit and contingencies equals 9.9% on a discounted basis. This calculation assumes that the ISMIE incremental payout pattern is appropriate for use in paying out future PLICA losses. The calculation also uses a 4.0% rate of interest assumption, as provided by PLICA. We are not expressing an opinion on the appropriateness of this interest rate assumption.

² In this report, the term “loss” refers to both loss amounts and allocated loss adjustment expenses, or ALAE, net of salvage and subrogation recoveries.

Mr. Howard Nathans
July 5, 2007
Page 3

We assumed 4.0% of losses to be PLICA's expected charge for death, disability and retirement ("DDR") coverage, based on information found in peer company rate filings and judgment.

We assumed 4.1% of losses to be the PLICA's expected charge for unallocated loss adjustment expense ("ULAE"), based on aggregated medical professional liability industry statistics.

Further Adjustments to ISMIE Base Class Pure Premium Amount

The base rate displayed in Exhibit 2 also includes the following adjustments:

- Additional Trend
- Expected Average Overall Credit (Debit)

Additional Trend

The effective date for the rates displayed in the ISMIE filing we reviewed was July 1, 2006. We understand that PLICA will file for rates in Illinois with an effective date of July 1, 2007. Thus, it is appropriate to trend the indicated rates an additional year at our selected physicians' trend rate of 6.0%.

The 6.0% trend rate was selected based on trend rates used in Illinois by peer companies as well as a Milliman analysis of Illinois pure premiums using closed claim data.

Expected Average Overall Credit (Debit)

Physicians' rates vary due to a variety of discounts (e.g., new doctor discount, claim-free discount), which can have a significant effect on total premium. The proposed base rate for Illinois physicians assumes an overall average credit of 11.7%. The overall average credit was calculated using individual doctor policy detail provided by PLICA.

CLASS RELATIVITIES

PLICA's proposed class definitions and relativities are different from those currently approved for use in Illinois. The revised PLICA class definitions and relativities are primarily the same as those currently in use by ISMIE; PLICA believes the ISMIE class definitions and relativities provide a reasonable source of information for use in estimating Illinois expected loss experience for PLICA. The major exception to this practice occurs for the surgery-obstetrics-gynecology specialty where the charged rate is

dependent on the number of births. This is similar to the rating procedure currently in use by American Physicians Assurance Corporation ("APAC") in Illinois. Information from the APAC filing we reviewed³ was also used to derive the rates displayed for dentists and healthcare facilities.

The proposed rates and class relativities are included in Appendix A. The rates shown are for mature claims-made policies with \$1,000,000/\$3,000,000 limits of coverage.

TERRITORIES

The proposed territory relativities shown in Exhibit 3 are based on a comparison of territory relativities used by several peer companies. The proposed territory relativities are different from the current PLICA territory relativities, but are similar to the average relativities used by the peer companies whose rate filings we reviewed.

DECREASED LIMITS FACTORS

The proposed decreased limits factors shown in Exhibit 5 are based on a comparison of decreased limits factors used by several peer companies in Illinois. The proposed decreased limits factors are the same as the current PLICA decreased limits factors, except that two additional per claim limit/aggregate limit combinations (\$750,000/\$2,250,000 and \$1,000,000/\$1,000,000) are included in the proposed factors that were not included in the current factors.

CLAIMS-MADE MATURITY FACTORS

The proposed claims-made maturity factors shown in Exhibit 6 are based on a comparison of claims-made maturity factors used by several peer companies in Illinois. The proposed claims-made maturity factors are different from the current PLICA claims-made maturity factors⁴, but are similar to the average factors used by the peer companies whose rate filings we reviewed.

³ The effective date of this APAC filing is January 1, 2006.

⁴ We have been informed by PLICA that a 1.0 claims-made maturity factor is applied in the current rating of each claims-made policy issued by PLICA.

REPORTING PERIOD EXTENSION FACTORS

The proposed reporting period extension factors shown in Exhibit 7 are based on a comparison of reporting period extension factors used by several peer companies in Illinois. The proposed reporting period extension factors are different from the current PLICA reporting period extension factors⁵, but are similar to the average factors used by the peer companies whose rate filings we reviewed.

OTHER FACTORS

We made no adjustments to the indicated rates for differences related to investment return or reinsurance pricing in the PLICA and ISMIE books of business.

LIMITATIONS

Data

In performing this analysis, we relied on data and other information provided by PLICA as well as data from publicly available sources. In particular, we relied on rating information from various publicly available rate filings. We do not express an opinion about the methodologies used in those filings, nor do we express an opinion as to the reasonableness of the results. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

In performing this evaluation, we have assumed that PLICA (a) used its best efforts to supply accurate and complete data and (b) did not knowingly provide any inaccurate data.

Some of the information provided is based on rate filings of Milliman clients. In

⁵ The proposed reporting period extension factors are different from the current factors for several reasons including (1) the proposed factors are to be applied to expiring annual premium and the current factors are applied to mature claims-made premium, and (2) the current reporting period extension factors include a 50% load for adverse selection that is not explicitly incorporated into the current factors.

Mr. Howard Nathans
July 5, 2007
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developing loss costs for PLICA, we relied exclusively on the information that was contained in publicly available rate filings and statutory annual statements. This approach is identical to that taken in other states where we have relied on other competitors that are not clients of Milliman. While we do not believe our reliance on the publicly available information is a conflict, we do believe it warrants disclosure.

Variability

Actuarial estimates are subject to uncertainty from various sources, including changes in claim reporting patterns, claim settlement patterns, judicial decisions, legislation, economic conditions, etc. In evaluating whether the proposed rates make a reasonable provision for future loss and loss adjustment expenses, it is necessary to project future loss and loss adjustment expense payments. It is certain that actual future loss and loss adjustment expenses will not develop exactly as projected and may, in fact, significantly vary from the projections. Further, the projections make no provision for future emergence of new classes of losses or types of losses not sufficiently represented in the historical database, or which are not yet quantifiable.

It is not possible to guarantee the financial success of PLICA's PPL program based on the use of the rates presented by Milliman. The selection of insureds to be written under the program is the responsibility of the company, and is critical to the success of the program. Responsibility for the profitability of the program ultimately rests with PLICA.

Using pure premium amounts derived by ISMIE to derive the rates displayed in this report implicitly assumes that the ISMIE pure premium amounts are adequate for Illinois risks written by PLICA. This assumption may ultimately turn out to be false.

Distribution

This report was prepared for the use of and only to be relied upon by the management of PLICA. No portion of the report may be provided to any other party without Milliman's prior written consent. In the event such consent is provided, the report must be provided in its entirety. We recommend that any such party have their own actuary review this report to ensure that the party understands the assumptions and uncertainties inherent in our estimates. This report may not be filed with the SEC or other securities regulatory bodies.

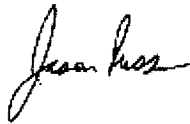
Mr. Howard Nathans
July 5, 2007
Page 7

This report is prepared in support of PLICA's efforts to be approved for the rating changes indicated above for its Illinois claims-made PPL insurance book of business. We consent to the release of this report to the Illinois insurance department.

* * * *

We appreciate this opportunity to perform consulting actuarial services for PLICA.

Very truly yours,



Jason L. Russ, FCAS, MAAA



Joel A. Vaag, FCAS, MAAA

PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA
ILLINOIS PHYSICIANS AND SURGEONS PROFESSIONAL LIABILITY
OVERALL RATE CHANGE SUMMARY

(1)	Base Rate Change	-9.7%
(2)	PLICA Current Average Class, Territory Pure Premium Relativity	1.472
(3)	PLICA Proposed Average Class, Territory Pure Premium Relativity	1.306
(4)	Rate Change Due to Class, Territory Changes	-11.3%
(5)	Overall Rate Change	-19.9%

Notes:

- (1) = Exhibit 2, Row 12.
(2),(3) Based on individual doctor detail provided by PLICA.
(4) = [(3)/(2)] - 1.0
(5) = {[1.0 + (1)] x [1.0 + (4)]} - 1.0

PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA
ILLINOIS PHYSICIANS AND SURGEONS PROFESSIONAL LIABILITY
DERIVATION OF ISMIE-BASED MATURE CLAIMS-MADE LOSS & ALAE PURE PREMIUM

COVERAGE FOR \$1,000,000 / \$3,000,000 LIMITS
FAMILY PRACTICE - NO SURGERY
BASE TERRITORY

(1) ISMIE Selected 2006 Report Year Undiscounted Loss & ALAE Family Practice - No Surgery, Base Territory Pure Premium Excluding DDR	18,814
(2) PLICA ULAE Load at \$1,000,000 / \$3,000,000 Limits	0.041
(3) PLICA DDR Load	0.040
(4) PLICA Selected 2006 Report Year Undiscounted Loss & LAE Family Practice - No Surgery, Base Territory Pure Premium Including DDR	20,360
(5) PLICA Target Combined Ratio	
(a) Target Combined Ratio	1.000
(b) Target Expense Ratio	
Commissions	0.110
Taxes, Licenses & Fees	0.030
Other Acquisition	0.090
General Expenses	0.110
Total	0.340
(c) Loss & LAE Ratio Including DDR [= (a) - (b)]	0.660
(6) PLICA Selected Family Practice - No Surgery, Base Territory Collected Rate, Effective July 1, 2006 [= (4) / (5c)]	30,849
(7) PLICA Prospective Overall Average Credit	0.117
(8) PLICA Selected Family Practice - No Surgery, Base Territory Manual Rate, Effective July 1, 2006 [= (6) / (1.0 - (7))]	34,922
(9) Trend Factor to 7/1/2007 Effective Date at 6.0% Annual Trend	1.060
(10) PLICA Selected Family Practice - No Surgery, Base Territory Manual Rate, Effective July 1, 2007 [= (8) x (9)]	37,017
(11) PLICA Current Family Practice - No Surgery, Base Territory Manual Rate	41,000
(12) Indicated Rate Change {=[(10) / (11)] - 1.0}	(0.097)

Notes:

- (1) Source: ISMIE 7/1/2006 rate filing, Appendix E, Exhibit A x (0.857 class relativity factor to adjust pure premium from ISMIE Class 5 to an ISMIE Class 4).
- (2) Based on aggregated medical professional liability industry statistics.
- (3), (5a), (11) - Source: PLICA.
- (4) = (1) x [1.0 + (2)] x [1.0 + (3)]
- (5b) - See Exhibit 4.
- (7) Based on individual doctor detail provided by PLICA.
- (9) Selected by Milliman based on trend rates used in Illinois by peer companies.

PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA
ILLINOIS PHYSICIANS AND SURGEONS PROFESSIONAL LIABILITY
SELECTION OF TERRITORY RELATIVITY FACTORS

County	APAC	ISMIE	MedPro	Prof Soln	ProNatl	Average	Current		Proposed	
							Selected	Territory	Selected	Territory
Cook	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1	1.00	1
Madison	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1	1.00	1
St. Clair	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1	1.00	1
DuPage	0.77	0.78	0.75	0.74	0.85	0.78	0.85	2	0.85	2
Jackson	0.82	1.00	1.00	0.85	0.90	0.87	0.80	3	0.85	2
Kane	0.77	0.87	0.85	0.74	0.85	0.82	0.85	2	0.85	2
Lake	0.77	0.91	0.90	0.74	0.85	0.83	0.85	2	0.85	2
McHenry	0.77	0.87	0.85	0.74	0.85	0.82	0.85	2	0.85	2
Vermillion	0.82	0.91	0.90	0.65	0.90	0.84	0.85	2	0.85	2
Will	0.82	1.00	1.00	0.74	1.00	0.91	1.00	1	0.85	2
Champaign	0.61	0.73	0.70	0.65	0.70	0.68	0.80	3	0.67	3
Coles	0.66	0.73	0.70	0.48	0.56	0.63	0.60	4	0.67	3
DeKalb	0.66	0.73	0.70	0.65	0.70	0.69	0.60	4	0.67	3
Effingham	0.50	0.73	0.70	0.48	0.70	0.62	0.60	4	0.67	3
Kankakee	0.66	0.78	0.75	0.65	0.70	0.71	0.60	4	0.67	3
LaSalle	0.66	0.73	0.70	0.65	0.56	0.66	0.60	4	0.67	3
Macon	0.61	0.78	0.75	0.65	0.70	0.70	0.80	3	0.67	3
Sangamon	0.61	0.64	0.60	0.65	0.85	0.67	0.80	3	0.67	3
Winnebago	0.77	0.87	0.85	0.65	0.56	0.74	0.60	4	0.67	3
Bond	0.50	0.55	0.50	0.48	0.70	0.55	0.60	4	0.55	4
Clinton	0.50	0.55	0.50	0.48	0.70	0.55	0.60	4	0.55	4
Franklin	0.50	0.55	0.50	0.48	0.70	0.55	0.60	4	0.55	4
Grundy	0.50	0.64	0.60	0.48	0.56	0.56	0.60	4	0.55	4
Hamilton	0.50	0.55	0.50	0.48	0.70	0.55	0.60	4	0.55	4
Jefferson	0.50	0.55	0.50	0.48	0.70	0.55	0.60	4	0.55	4
Peoria	0.50	0.51	0.45	0.48	0.56	0.50	0.60	4	0.55	4
Washington	0.50	0.55	0.50	0.48	0.70	0.55	0.60	4	0.55	4
Williamson	0.50	0.55	0.50	0.48	0.70	0.55	0.60	4	0.55	4
Rest of State	0.50	0.55	0.50	0.48	0.56	0.52	0.60	4	0.55	4

Selected:

Territory	Counties	Proposed Relativity
1	Cook, Madison, St. Clair	1.00
2	DuPage, Jackson, Kane, Lake, McHenry, Vermillion, Will	0.85
3	Champaign, Coles, DeKalb, Effingham, Kankakee, LaSalle, Macon, Sangamon, Winnebago	0.67
4	Rest of State	0.55

Notes:

APAC - From American Physicians Assurance Corporation 1/1/2006 effective date filing.
ISMIE - From Illinois State Medical Inter-Insurance Exchange 7/1/2006 effective date filing.
MedPro - From Medical Protective Company 1/1/2007 effective date filing.
Prof Soln - From Professional Solutions Insurance Company 7/1/2006 effective date filing.
ProNatl - From ProNational Insurance Company 1/1/2007 effective date filing.

Exhibit 4

PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA
ILLINOIS PHYSICIANS AND SURGEONS PROFESSIONAL LIABILITY
SELECTION OF EXPENSE LOAD COMPONENTS

	(1)	(2)	(3)
<u>Selected Expense Load</u>	PLICA 2006 ACTUAL EXPENSE RATIO	INDUSTRY AVERAGE EXPENSE RATIO	SELECTED EXPENSE LOAD
Commissions	0.110	0.051	0.110
Taxes, Licenses & Fees	0.030	0.024	0.030
Other Acquisition Expenses	0.147	0.032	0.090
<u>General Expenses</u>	<u>0.151</u>	<u>0.071</u>	<u>0.110</u>
Total	0.438	0.177	0.340

Notes:

- (1) Source: PLICA 2006 IEE.
(2) Based on aggregated medical professional liability industry statistics.
(3) Judgmentally selected based on (1) and (2).

PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA
ILLINOIS PHYSICIANS, SURGEONS, AND DENTISTS PROFESSIONAL LIABILITY
SELECTION OF DECREASED LIMITS FACTORS*

<u>Per Claim Limit/ Aggregate Limit</u>	<u>APAC</u>	<u>ISMIE</u>	<u>MedPro</u>	<u>Prof Soln</u>	<u>ProNatl</u>	<u>Average</u>	<u>PLICA Current</u>	<u>PLICA Proposed</u>
\$ 100,000/\$ 300,000	0.480	N/A	0.386	0.400	N/A	0.422	0.460	0.460
\$ 200,000/\$ 600,000	0.620	N/A	0.525	0.550	N/A	0.565	0.590	0.590
\$ 250,000/\$ 750,000	0.665	N/A	N/A	0.600	0.630	0.632	0.640	0.640
\$ 300,000/\$ 900,000	0.700	N/A	N/A	N/A	N/A	0.700	0.690	0.690
\$ 500,000/\$1,500,000	0.790	0.744	0.776	0.750	0.818	0.776	0.820	0.820
\$ 750,000/\$2,250,000	0.920	N/A	N/A	N/A	N/A	0.920	N/A	0.920
\$1,000,000/\$1,000,000	0.980	N/A	0.961	N/A	N/A	0.971	N/A	0.980
\$1,000,000/\$3,000,000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Notes:

*Decreased limits factors are to be applied to full primary-limits premium not including any credit applied for a deductible.

APAC - From American Physicians Assurance Corporation 1/1/2006 effective date filing.

ISMIE - From Illinois State Medical Inter-Insurance Exchange 7/1/2006 effective date filing.

MedPro - From Medical Protective Company 1/1/2007 effective date filing.

Prof Soln - From Professional Solutions Insurance Company 7/1/2006 effective date filing.

ProNatl - From ProNational Insurance Company 1/1/2007 effective date filing.

PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA
ILLINOIS PHYSICIANS, SURGEONS, AND DENTISTS PROFESSIONAL LIABILITY
SELECTION OF CLAIMS-MADE MATURITY FACTORS*

<u>Claims-Made Year</u>	<u>APAC</u>	<u>ISMIE</u>	<u>MedPro</u>	<u>Prof Soln</u>	<u>ProNatl</u>	<u>Avg. Excl. Low/High</u>	<u>PLICA Proposed</u>
First Year	0.250	0.250	0.275	0.350	0.347	0.291	0.250
Second Year	0.400	0.500	0.475	0.660	0.627	0.534	0.500
Third Year	0.750	0.780	0.750	0.900	0.813	0.781	0.780
Fourth Year	0.900	0.925	0.900	0.980	0.907	0.911	0.925
Mature	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Notes:

*Claims-made maturity factors are to be applied to mature basic limits rates.

APAC - From American Physicians Assurance Corporation 1/1/2006 effective date filing.

ISMIE - From Illinois State Medical Inter-Insurance Exchange 7/1/2006 effective date filing.

MedPro - From Medical Protective Company 1/1/2007 effective date filing.

Prof Soln - From Professional Solutions Insurance Company 7/1/2006 effective date filing.

ProNatl - From ProNational Insurance Company 1/1/2007 effective date filing.

PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA
ILLINOIS PHYSICIANS, SURGEONS, AND DENTISTS PROFESSIONAL LIABILITY
SELECTION OF REPORTING PERIOD EXTENSION FACTORS*

Number of Years Completed in <u>Claims-Made Program</u>	<u>APAC</u>	<u>ISMIE</u>	<u>MedPro</u>	<u>Prof Soln</u>	<u>ProNatl</u>	<u>Average</u>	<u>PLICA Proposed</u>
First Year	3.998	3.306	3.598	3.678	3.758	3.668	3.670
Second Year	3.104	3.153	3.000	2.860	3.400	3.103	3.110
Third Year	2.308	2.401	2.180	2.180	2.564	2.326	2.330
Fourth Year	2.053	2.196	1.968	2.022	2.595	2.167	2.170
Mature	1.970	2.180	1.820	1.870	2.400	2.048	2.050

Notes:

*Reporting period extension factors are to be applied to the expiring annual premium. Peer company reporting period extension factors were calculated using information from the peer company rate filings and the PLICA selected claims-made maturity factors.

APAC - From American Physicians Assurance Corporation 1/1/2006 effective date filing.

ISMIE - From Illinois State Medical Inter-Insurance Exchange 7/1/2005 effective date filing.

MedPro - From Medical Protective Company 1/1/2007 effective date filing.

Prof Soln - From Professional Solutions Insurance Company 7/1/2006 effective date filing.

ProNatl - From ProNational Insurance Company 1/1/2007 effective date filing.

PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA
ILLINOIS PHYSICIANS AND SURGEONS PROFESSIONAL LIABILITY
MATURE CLAIMS-MADE RATES

Base Rate	COVERAGE FOR \$1,000,000 / \$3,000,000 LIMITS				
\$37,017		Territory			
Class Relativity	Class Group	1	2	3	4
0.498	1	18,444	15,678	12,358	10,144
0.666	2	24,635	20,940	16,506	13,549
0.777	3	28,762	24,448	19,271	15,819
1.000	4	37,017	31,464	24,801	20,359
1.167	5	43,208	36,727	28,949	23,764
1.056	6	39,081	33,219	26,184	21,494
1.279	7	47,335	40,235	31,715	26,034
1.446	8	53,526	45,497	35,862	29,439
1.279	9	47,335	40,235	31,715	26,034
1.669	10	61,781	52,514	41,393	33,979
1.836	11	67,972	57,776	45,541	37,384
2.059	12	76,226	64,792	51,071	41,924
3.063	13	113,371	96,366	75,959	62,354
3.174	14	117,499	99,874	78,724	64,624
3.509	15	129,876	110,395	87,017	71,432
4.066	16	150,512	127,935	100,843	82,782
4.289	17	158,767	134,952	106,374	87,322
4.624	18	171,149	145,476	114,670	94,132
1.557	19	57,653	49,005	38,628	31,709
7.076	20	261,948	222,656	175,505	144,072

Surgery--obstetrics--gynecology

3.217	--0 to 49 deliveries	119,075	101,214	79,780	65,491
3.431	--50 to 69 deliveries	127,013	107,961	85,099	69,857
3.646	--70 to 89 deliveries	134,951	114,709	90,417	74,223
3.860	--90 to 109 deliveries	142,891	121,457	95,737	78,590
4.075	--110 to 129 deliveries	150,829	128,204	101,055	82,956
4.289	--130 to 149 deliveries	158,767	134,952	106,374	87,322
4.715	--150 to 169 deliveries	174,528	148,349	116,934	95,991
5.147	--170 to 189 deliveries	190,520	161,942	127,649	104,786
5.576	--190 to 209 deliveries	206,397	175,437	138,286	113,518
6.005	--210 to 229 deliveries	222,274	188,933	148,924	122,251
6.434	--230 to 249 deliveries	238,150	202,428	159,561	130,983
6.862	--250 to 269 deliveries	254,026	215,922	170,198	139,715
7.291	--270 to 289 deliveries	269,904	229,418	180,836	148,447
7.720	--290 or more deliveries	285,780	242,913	191,473	157,179

Dentists

1.105	Dental Surgeons--Oral or Maxillofacial--Engaged in oral surgery or operative dentistry on patients rendered unconscious through the administering of any anesthesia or analgesia	40,915	34,777	27,413	22,503
0.553	Dentists--Engaged in oral surgery or operative dentistry; patients rendered unconscious through the administering of any anesthesia or analgesia	20,459	17,390	13,707	11,252
0.221	Dentists--not otherwise classified	8,183	6,956	5,483	4,501

Healthcare Facilities

Emergency Room Groups	2,120
Urgent Care Groups	601
Outpatient Surgery Centers (Surgicenters)	3,006
("per 100 patient visits" basis) - Separate limits per member physician may be purchased for an additional 20% charge.	

Territory Relativity:	1.00	0.85	0.67	0.55
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PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA
ILLINOIS PHYSICIANS AND SURGEONS PROFESSIONAL LIABILITY
RATE RELATIVITIES BY SPECIALTY CODE

Specialty Code	Specialty Description	Current	Proposed	
		PLICA Relativity	PLICA Class Group	PLICA Relativity
101	Surgery--broncho-esophagology	2.000	12	2.059
102	Emergency Medicine--no major surgery	2.500	11	1.836
103	Surgery--endocrinology	2.000	11	1.836
104	Surgery--gastroenterology	2.000	12	2.059
105	Surgery--geriatrics	2.500	12	2.059
106	Surgery--laryngology	3.250	12	2.059
107	Surgery--neoplastic	4.000	12	2.059
108	Surgery--nephrology	2.000	12	2.059
114	Surgery--ophthalmology	2.000	4	1.000
115	Surgery--colon and rectal	2.500	11	1.836
117	Surgery--family/general practice	2.500	12	2.059
141	Surgery--cardiac	4.000	16	4.066
143	Surgery--general--not otherwise classified	4.000	13	3.063
144	Surgery--thoracic	4.000	16	4.066
145	Surgery--urological	2.000	10	1.669
146	Surgery--vascular	4.000	16	4.066
150	Surgery--cardiovascular disease	4.000	16	4.066
151	Anesthesiology	1.500	7	1.279
152	Surgery--neurology	6.000	20	7.076
153	Surgery--obstetrics--gynecology	5.000	17	4.289
154	Surgery--orthopedic	5.000	18	4.624
155	Surgery--plastic--otorhinolaryngology	3.250	15	3.509
156	Surgery--plastic--not otherwise classified	4.000	15	3.509
157	Emergency Medicine--major surgery	4.000	15	3.509
157	Surgery--emergency medicine	4.000	15	3.509
158	Surgery--otology	2.500	11	1.836
159	Surgery--otorhinolaryngology	2.500	11	1.836
160	Surgery--rhinology	3.250	11	1.836
164	Surgery--orthopedic--without back surgery	5.000	15	3.509
166	Surgery--abdominal	4.000	13	3.063
167	Surgery--gynecology	3.250	12	2.059
168	Surgery--obstetrics	5.000	17	4.289
169	Surgery--hand	3.250	12	2.059
170	Surgery--head and neck	4.000	12	2.059
171	Surgery--traumatic	3.250	16	4.066
196	Anesthesiology--pain management	1.500	7	1.279
229	Addictionology	0.750	1	0.498
230	Aerospace Medicine	0.750	2	0.666
231	General Preventive Medicine--no surgery	1.000	1	0.498
231	Preventive Medicine	1.000	1	0.498
232	Hypnosis	0.750	1	0.498
233	Occupational Medicine	0.750	1	0.498
234	Pharmacology	0.750	3	0.777
235	Physiatry or Physical Medicine and	0.750	1	0.498
236	Public Health	0.750	1	0.498
237	Diabetes--no surgery	1.000	4	1.000
238	Endocrinology--no surgery	1.000	2	0.666
240	Forensic or Legal Medicine	0.750	1	0.498
241	Gastroenterology--no surgery	1.250	8	1.446
243	Geriatrics--no surgery	1.000	2	0.666
244	Gynecology--no surgery	1.000	5	1.167
245	Hematology--no surgery	1.250	4	1.000
246	Infectious Diseases--no surgery	1.250	6	1.056
247	Rhinology--no surgery	1.000	1	0.498
248	Nutrition	1.250	1	0.498
249	Psychiatry	0.750	2	0.666
250	Psychoanalysis	0.750	1	0.498
251	Psychosomatic Medicine	0.750	1	0.498
252	Rheumatology--no surgery	1.000	2	0.666
253	Radiology--diagnostic--no surgery	1.500	7	1.279
254	Allergy	0.750	1	0.498
255	Cardiovascular Disease--no surgery	1.250	6	1.056
256	Dermatology--no surgery	0.750	2	0.666
257	Internal Medicine--no surgery	1.000	4	1.000
258	Laryngology--no surgery	1.000	1	0.498
259	Neoplastic Diseases--no surgery	1.000	4	1.000
259	Oncology--no surgery	1.000	4	1.000
260	Nephrology--no surgery	1.000	6	1.056
261	Neurology--no surgery	1.500	8	1.446

PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA
ILLINOIS PHYSICIANS AND SURGEONS PROFESSIONAL LIABILITY
RATE RELATIVITIES BY SPECIALTY CODE

		Current	Proposed	
262	Nuclear Medicine	1.000	4	1.000
263	Ophthalmology--no surgery	0.750	2	0.666
264	Otology--no surgery	1.500	1	0.498
265	Otorhinolaryngology--no surgery	1.250	1	0.498
266	Pathology--no surgery	1.000	2	0.666
267	Pediatrics--no surgery	1.000	3	0.777
268	Physicians--not otherwise classified--	1.000	4	1.000
269	Pulmonary Diseases--no surgery	1.250	7	1.279
270	Rhinology--minor surgery	1.500	8	1.446
271	Diabetes--minor surgery	1.500	6	1.056
272	Endocrinology--minor surgery	1.500	4	1.000
274	Gastroenterology--minor surgery	1.500	8	1.446
276	Geriatrics--minor surgery	1.500	7	1.279
277	Gynecology--minor surgery	2.500	11	1.836
278	Hematology--minor surgery	1.500	8	1.446
279	Infectious Diseases--minor surgery	1.500	12	2.059
280	Radiology--diagnostic--minor surgery	2.000	11	1.836
281	Cardiovascular Disease--minor surgery	2.000	11	1.836
282	Dermatology--minor surgery	2.000	3	0.777
283	Intensive Care Medicine	2.000	5	1.167
284	Internal Medicine--minor surgery	1.500	8	1.446
285	Laryngology--minor surgery	1.500	8	1.446
286	Neoplastic Diseases--minor surgery	1.500	6	1.056
286	Oncology--minor surgery	1.500	8	1.446
287	Nephrology--minor surgery	1.500	7	1.279
288	Neurology--minor surgery	1.500	10	1.669
289	Ophthalmology--minor surgery	1.250	3	0.777
290	Otology--minor surgery	1.500	8	1.446
291	Otorhinolaryngology--minor surgery	1.500	8	1.446
292	Pathology--minor surgery	1.500	8	1.446
293	Pediatrics--minor surgery	1.500	8	1.446
294	Physicians--not otherwise classified--minor	1.500	8	1.446
298	Pulmonary Diseases--minor surgery	2.000	11	1.836
420	Family/General Practitioners--no surgery	1.000	4	1.000
421	Family/General Practitioners--minor surgery	2.000	19	1.557
424	Urgent Care Medicine	1.000	4	1.000
425	Physicians--no major surgery--lasers;	1.500	8	1.446
425	Radiology--therapeutic	1.500	7	1.279
431	Physicians--no major surgery--shock	1.000	8	1.446
437	Physicians--no major surgery--acupuncture	1.000	8	1.446
471	Neonatology--no surgery	1.500	12	2.059
472	Surgery--dermatology	2.000	12	2.059
474	Surgery--neonatology or pediatrics	4.000	14	3.174
476	Neonatology--minor surgery	1.500	13	3.063
521	Family/General Practitioners--minor surgery	2.000	19	1.557
	<u>Surgery--obstetrics--gynecology</u>			
560	--0 to 49 deliveries	5.000		3.217
561	--50 to 69 deliveries	5.000		3.431
562	--70 to 89 deliveries	5.000		3.646
563	--90 to 109 deliveries	5.000		3.860
564	--110 to 129 deliveries	5.000		4.075
565	--130 to 149 deliveries	5.000	17	4.289
566	--150 to 169 deliveries	5.000		4.715
567	--170 to 189 deliveries	5.000		5.147
568	--190 to 209 deliveries	5.000		5.576
569	--210 to 229 deliveries	5.000		6.005
570	--230 to 249 deliveries	5.000		6.434
571	--250 to 269 deliveries	5.000		6.862
572	--270 to 289 deliveries	5.000		7.291
573	--290 or more deliveries	5.000		7.720
801	Manipulative Medicine	0.750	1	0.498
802	Physicians--no major surgery--sclerotherapy	1.500	8	1.446
803	Surgery--vascular--peripheral	4.000	14	3.174
804	Surgery--ophthalmology--plastic	2.000	12	2.059
805	Hospitalists	0.500	5	1.167

PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA
ILLINOIS PHYSICIANS AND SURGEONS PROFESSIONAL LIABILITY
CALCULATION OF PROFIT & CONTINGENCIES PROVISION

1	Target Combined Ratio	100.0%
2	Expense Provision (% of Premium)	34.0%
	Commissions	11.0%
	General Expenses	3.0%
	Other Acquisition Expenses	9.0%
	<u>Taxes, Licenses & Fees</u>	<u>11.0%</u>
	Total	34.0%
3	Permissible Loss & LAE Ratio { = (1) - (2) }	66.0%
4	DDR to Loss Ratio	4.0%
5	ULAE to Loss Ratio	4.1%
6	Permissible Loss & ALAE Ratio { = (3) / [1.0 + (4)] / [1.0 + (5)] }	61.0%
7	Loss Reserve Discount Factor*	85.0%
8	Discounted Loss & LAE { = (3) x (7) }	56.1%
9	Discounted Loss & LAE + Expense Provision { = (2) + (8) }	90.1%
10	Discounted Profit & Contingencies Provision { = (1) - (9) }	9.9%
10	Undiscounted Profit & Contingencies Provision { = (1) - (2) - (3) }	0.0%

* Calculation of Premium Discount at: 4.00%

Year	ISMIE Incremental Payout	Discount Factor	PV of Annual Payout
1	0.026	0.981	0.025
2	0.094	0.943	0.089
3	0.160	0.907	0.145
4	0.211	0.872	0.184
5	0.214	0.838	0.179
6	0.137	0.806	0.110
7	0.068	0.775	0.053
8	0.034	0.745	0.025
9	0.024	0.717	0.017
10	0.014	0.689	0.010
11	0.018	0.662	0.012
Total	1.000		0.850

Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

DIVISION OF INSURANCE
 STATE OF ILLINOIS/IDFPR
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SPRINGFIELD, ILLINOIS

IX. RATES, STATE RULES EXCEPTIONS--Illinois

A. Illinois Rating Territories

Territory 1: Cook, Madison and St. Clair Counties

Territory 2: DuPage, Jackson, Kane, Lake, McHenry, Vermilion and Will Counties

Territory 3: Champaign, Coles, DeKalb, Effingham, Kankakee, LaSalle, Macon,
 Sangamon and Winnebago Counties

Territory 4: Remainder of Illinois

B. Mature Claims-made Rates--Physicians and Surgeons

Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
229	Addictionology	18,444	15,678	12,358	10,144
230	Aerospace Medicine	24,635	20,940	16,506	13,549
254	Allergy	18,444	15,678	12,358	10,144
151	Anesthesiology	47,335	40,235	31,715	26,034
196	Anesthesiology--pain management	47,335	40,235	31,715	26,034
255	Cardiovascular Disease--no surgery	39,081	33,219	26,184	21,494
281	Cardiovascular Disease--minor surgery	67,972	57,776	45,541	37,384
256	Dermatology--no surgery	24,635	20,940	16,506	13,549
282	Dermatology--minor surgery	28,762	24,448	19,271	15,819
237	Diabetes--no surgery	37,017	31,464	24,801	20,359
271	Diabetes--minor surgery	39,081	33,219	26,184	21,494
102	Emergency Medicine--no major surgery	67,972	57,776	45,541	37,384
157	Emergency Medicine--major surgery	129,876	110,395	87,017	71,432
238	Endocrinology--no surgery	24,635	20,940	16,506	13,549
272	Endocrinology--minor surgery	37,017	31,464	24,801	20,359
420	Family/General Practitioners--no surgery	37,017	31,464	24,801	20,359
421	Family/General Practitioners--minor surgery	57,653	49,005	38,628	31,709
521	Family/General Practitioners--minor surgery --0 to 24 deliveries	57,653	49,005	38,628	31,709
240	Forensic or Legal Medicine	18,444	15,678	12,358	10,144
241	Gastroenterology--no surgery	53,526	45,497	35,862	29,439
274	Gastroenterology--minor surgery	53,526	45,497	35,862	29,439
231	General Preventive Medicine--no surgery	18,444	15,678	12,358	10,144
243	Geriatrics--no surgery	24,635	20,940	16,506	13,549

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Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

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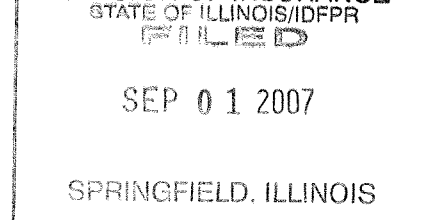
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SPRINGFIELD, ILLINOIS

Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
276	Geriatrics--minor surgery	47,335	40,235	31,715	26,034
244	Gynecology--no surgery	43,208	36,727	28,949	23,764
277	Gynecology--minor surgery	67,972	57,776	45,541	37,384
245	Hematology--no surgery	37,017	31,464	24,801	20,359
278	Hematology--minor surgery	53,526	45,497	35,862	29,439
805	Hospitalists	43,208	36,727	28,949	23,764
232	Hypnosis	18,444	15,678	12,358	10,144
246	Infectious Diseases--no surgery	39,081	33,219	26,184	21,494
279	Infectious Diseases--minor surgery	76,226	64,792	51,071	41,924
283	Intensive Care Medicine	43,208	36,727	28,949	23,764
257	Internal Medicine--no surgery	37,017	31,464	24,801	20,359
284	Internal Medicine--minor surgery	53,526	45,497	35,862	29,439
258	Laryngology--no surgery	18,444	15,678	12,358	10,144
285	Laryngology--minor surgery	53,526	45,497	35,862	29,439
801	Manipulative Medicine	18,444	15,678	12,358	10,144
471	Neonatology--no surgery	76,226	64,792	51,071	41,924
476	Neonatology--minor surgery	113,371	96,366	75,959	62,354
259	Neoplastic Diseases--no surgery	37,017	31,464	24,801	20,359
286	Neoplastic Diseases--minor surgery	39,081	33,219	26,184	21,494
260	Nephrology--no surgery	39,081	33,219	26,184	21,494
287	Nephrology--minor surgery	47,335	40,235	31,715	26,034
261	Neurology--no surgery	53,526	45,497	35,862	29,439
288	Neurology--minor surgery	61,781	52,514	41,393	33,979
262	Nuclear Medicine	37,017	31,464	24,801	20,359
248	Nutrition	18,444	15,678	12,358	10,144
233	Occupational Medicine	18,444	15,678	12,358	10,144
259	Oncology--no surgery	37,017	31,464	24,801	20,359
286	Oncology--minor surgery	53,526	45,497	35,862	29,439
263	Ophthalmology--no surgery	24,635	20,940	16,506	13,549
289	Ophthalmology--minor surgery	28,762	24,448	19,271	15,819
264	Otology--no surgery	18,444	15,678	12,358	10,144
290	Otology--minor surgery	53,526	45,497	35,862	29,439
265	Otorhinolaryngology--no surgery	18,444	15,678	12,358	10,144
291	Otorhinolaryngology--minor surgery	53,526	45,497	35,862	29,439

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Professional Liability Insurance Company of America—PLICA
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Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
266	Pathology--no surgery	24,635	20,940	16,506	13,549
292	Pathology--minor surgery	53,526	45,497	35,862	29,439
267	Pediatrics--no surgery	28,762	24,448	19,271	15,819
293	Pediatrics--minor surgery	53,526	45,497	35,862	29,439
234	Pharmacology	28,762	24,448	19,271	15,819
235	Physiatry or Physical Medicine and Rehabilitation	18,444	15,678	12,358	10,144
437	Physicians--no major surgery--acupuncture	53,526	45,497	35,862	29,439
425	Physicians--no major surgery--lasers; radiation therapy	47,335	40,235	31,715	26,034
802	Physicians--no major surgery--sclerotherapy	53,526	45,497	35,862	29,439
431	Physicians--no major surgery--shock therapy	53,526	45,497	35,862	29,439
268	Physicians--not otherwise classified--no surgery	37,017	31,464	24,801	20,359
294	Physicians--not otherwise classified--minor surgery	53,526	45,497	35,862	29,439
231	Preventive Medicine	18,444	15,678	12,358	10,144
249	Psychiatry	24,635	20,940	16,506	13,549
250	Psychoanalysis	18,444	15,678	12,358	10,144
251	Psychosomatic Medicine	18,444	15,678	12,358	10,144
236	Public Health	18,444	15,678	12,358	10,144
269	Pulmonary Diseases--no surgery	47,335	40,235	31,715	26,034
298	Pulmonary Diseases--minor surgery	67,972	57,776	45,541	37,384
253	Radiology--diagnostic--no surgery	47,335	40,235	31,715	26,034
280	Radiology--diagnostic--minor surgery	67,972	57,776	45,541	37,384
425	Radiology--therapeutic	47,335	40,235	31,715	26,034
252	Rheumatology--no surgery	24,635	20,940	16,506	13,549
247	Rhinology--no surgery	18,444	15,678	12,358	10,144
270	Rhinology--minor surgery	53,526	45,497	35,862	29,439
166	Surgery--abdominal	113,371	96,366	75,959	62,354
101	Surgery--broncho-esophagology	76,226	64,792	51,071	41,924
141	Surgery--cardiac	150,512	127,935	100,843	82,782
150	Surgery--cardiovascular disease	150,512	127,935	100,843	82,782
115	Surgery--colon and rectal	67,972	57,776	45,541	37,384
472	Surgery--dermatology	76,226	64,792	51,071	41,924
157	Surgery--emergency medicine	129,876	110,395	87,017	71,432
103	Surgery--endocrinology	67,972	57,776	45,541	37,384
117	Surgery--family/general practice	76,226	64,792	51,071	41,924

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Professional Liability Insurance Company of America—PLICA
Health Care Provider Professional Liability Insurance

STATE OF ILLINOIS/IDFPR

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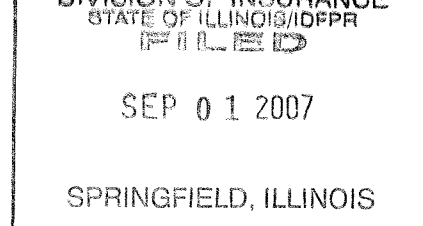
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SPRINGFIELD, ILLINOIS

Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
104	Surgery--gastroenterology	76,226	64,792	51,071	41,924
143	Surgery--general--not otherwise classified	113,371	96,366	75,959	62,354
105	Surgery--geriatrics	76,226	64,792	51,071	41,924
167	Surgery--gynecology	76,226	64,792	51,071	41,924
169	Surgery--hand	76,226	64,792	51,071	41,924
170	Surgery--head and neck	76,226	64,792	51,071	41,924
106	Surgery--laryngology	76,226	64,792	51,071	41,924
474	Surgery--neonatology or pediatrics	117,499	99,874	78,724	64,624
107	Surgery--neoplastic	76,226	64,792	51,071	41,924
108	Surgery--nephrology	76,226	64,792	51,071	41,924
152	Surgery--neurology	261,948	222,656	175,505	144,072
168	Surgery--obstetrics	158,767	134,952	106,374	87,322
153	Surgery--obstetrics--gynecology	158,767	134,952	106,374	87,322
560	Surgery--obstetrics--gynecology				
	--0 to 49 deliveries	119,075	101,214	79,780	65,491
561	--50 to 69 deliveries	127,013	107,961	85,099	69,857
562	--70 to 89 deliveries	134,951	114,709	90,417	74,223
563	--90 to 109 deliveries	142,891	121,457	95,737	78,590
564	--110 to 129 deliveries	150,829	128,204	101,055	82,956
565	--130 to 149 deliveries	158,767	134,952	106,374	87,322
566	--150 to 169 deliveries	174,528	148,349	116,934	95,991
567	--170 to 189 deliveries	190,520	161,942	127,649	104,786
568	--190 to 209 deliveries	206,397	175,437	138,286	113,518
569	--210 to 229 deliveries	222,274	188,933	148,924	122,251
570	--230 to 249 deliveries	238,150	202,428	159,561	130,983
571	--250 to 269 deliveries	254,026	215,922	170,198	139,715
572	--270 to 289 deliveries	269,904	229,418	180,836	148,447
573	--290 or more deliveries	285,780	242,913	191,473	157,179
114	Surgery--ophthalmology	37,017	31,464	24,801	20,359
804	Surgery--ophthalmology--plastic	76,226	64,792	51,071	41,924
154	Surgery--orthopedic	171,149	145,476	114,670	94,132
164	Surgery--orthopedic--without procedures on the back	129,876	110,395	87,017	71,432
158	Surgery--otology	76,226	64,792	51,071	41,924
159	Surgery--otorhinolaryngology	67,972	57,776	45,541	37,384
156	Surgery--plastic--not otherwise classified	129,876	110,395	87,017	71,432
155	Surgery--plastic--otorhinolaryngology	129,876	110,395	87,017	71,432
160	Surgery--rhinology	76,226	64,792	51,071	41,924
144	Surgery--thoracic	150,512	127,935	100,843	82,782
171	Surgery--traumatic	150,512	127,935	100,843	82,782
145	Surgery--urological	61,781	52,514	41,393	33,979

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Specialty Code	Specialty Description	Territory 1	Territory 2	Territory 3	Territory 4
146	Surgery--vascular	150,512	127,935	100,843	82,782
803	Surgery--vascular--peripheral	117,499	99,874	78,724	64,624
424	Urgent Care Medicine	37,017	31,464	24,801	20,359

C. Mature Claims-made Rates--Dentists

212	Dental Surgeons--Oral or Maxillofacial-- Engaged in oral surgery or operative dentistry on patients rendered unconscious through the administering of any anesthesia or analgesia	40,915	34,777	27,413	22,503
210	Dentists--Engaged in oral surgery or operative dentistry; patients rendered unconscious through the administering of any anesthesia or analgesia	20,459	17,390	13,707	11,252
211	Dentists--not otherwise classified	8,183	6,956	5,483	4,501

D. Emergency Room Groups ("Per patient visit" basis)

21.20	18.02	14.20	11.66
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Separate limits per member physician may be purchased for an additional 20% charge.

E. Urgent Care Groups ("Per patient visit" basis)

6.01	5.11	4.03	3.31
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Separate limits per member physician may be purchased for an additional 20% charge.

F. Outpatient Surgery Centers (Surgicenters) ("Per patient visit" basis)

3,006	2,555	2,014	1,653
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Separate limits per member physician may be purchased for an additional 20% charge.

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- G. Limits that are less than these primary-limits of insurance may be purchased at premiums derived from applying the following factors to the full primary-limits premium (not including any credit applied for a deductible):

\$ 100,000/\$ 300,000	0.46
\$ 200,000/\$ 600,000	0.59
\$ 250,000/\$ 750,000	0.64
\$ 300,000/\$ 900,000	0.69
\$ 500,000/\$1,500,000	0.82
\$ 750,000/\$2,250,000	0.92
\$1,000,000/\$1,000,000	0.98

- H. Claims-made Maturity Factors

(Applied to the mature basic limits rates.)

First Year	0.250
Second Year	0.500
Third Year	0.780
Fourth Year	0.925
Mature	1.000

- I. Reporting Period Extension Coverage.

To calculate reporting period extension premium, the following factors will be applied to the expiring, or terminated, annual premium of all policies that terminate for any reason. Any discounts or surcharges of the terminated premium will be included in this calculation. Every terminated insured may purchase either an unlimited, or a first-year installment reporting period extension. See Rule II. D. 4. Reporting period extensions are non-cancellable: Therefore the full premium must be received before the extension can be issued.

First Year Claims-made Policy	3.67
Second Year	3.11
Third Year	2.33
Fourth Year	2.17
Mature	2.05

- J. Quarterly Installment Payment Plan.

Premiums of any amount are payable in four equal installments (25% each) with no interest, service fee, or other charge. The initial installment is due at inception with subsequent installments due 3, 6 and 9 months from policy issuance. Any

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mid-term additional charges will be added in equal amounts to any remaining installments. If no installments remain payable, the full amount of the additional charge will be billed for immediate payment. Premiums for reporting period extensions must be paid in full when due.

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I. GENERAL INSTRUCTIONS

- A. This manual contains the rules, rating classifications, and rates governing the underwriting of health care provider professional liability insurance by Professional Liability Insurance Company of America (PLICA).
- B. The rules, classifications, and rates in this manual are effective as of the date indicated on each page. When a change is made, a reprinted page containing the change and its effective date is distributed. The change is specifically designated by an asterisk (*) on the outer margin of the affected page(s).
- C. Specific exceptions to these rules are exhibited in the appropriate state rate and rule exception pages.

II. RATES AND PREMIUM CALCULATION

- A. Primary-limits (\$1,000,000/\$3,000,000) unmodified rates at full claims-made maturity are exhibited by rating classification and rating territory in the state rate pages. Classification and territory are based on health care practice as it is insured by PLICA; portions of health care practice that are uninsured, or are insured by other insurers, may be excluded from coverage and are not considered in determining the appropriate rating classification.
- B. Additional charges provided under any rate schedule in this manual measure the liability of an insured for the exposures covered by those additional charges. Additional charges must be obtained where those exposures exist and are insured.
- C. The policy minimum premium is \$500.
- D. Manual primary-limits rates are “fully-matured” claims-made rates. Claims-made maturity factors exhibited in the state rate pages to current manual primary-limits rates are applied to less than “fully-matured” claim-made exposures.
 - 1. The retroactive date of a claims-made policy is the initial effective date of continuous coverage by PLICA, except when PLICA and the insured agree that the retroactive date should precede the initial effective date (prior acts, or, “nose” coverage).
 - 2. When prior acts coverage is required, the claims-made maturity factor used is that which best reflects the maturity of coverage. If the retroactive date falls on a date other than an anniversary date for which factors are exhibited in the state rate pages, the claims-made factor will be derived on a pro rate basis from the two closest anniversary factors.

3. Rates for prior acts coverage are adjusted to reflect any significant differences in exposure during the period for which prior acts coverage is rated.
 4. A claims-made reporting period extension(s) ("tail" coverage) is offered (unless coverage is automatically provided within the terms of the policy) for any claims-made policy that is terminated for any reason.
 - a. A single extension for an unlimited reporting period may be purchased. One set of limits of liability is provided for the entire unlimited reporting period. The rates for this extension are computed by applying the applicable reporting period extension factor exhibited in the state rate pages to the expiring premium.
 - b. Alternatively, three extensions may be purchased as of the policy termination and the next two anniversaries of that termination. Separate limits apply for each of the three extensions. The final extension is an unlimited extension. Premiums for each extension are 35% of the rate applicable to the single unlimited extension (4.a.).
 5. PLICA may, at its discretion, offer an applicant the option of purchasing an occurrence policy. The cost of an occurrence policy is 110% of the cost of a mature claims-made policy.
 6. PLICA may, at its discretion, offer a claims-made policy with the promise to provide a reporting period extension ("tail") for no charge at the end of the continuous sequence of coverage on this basis. The cost of claims-made coverage including this pre-paid "tail" is the same as the mature claims-made rate, regardless of the otherwise applicable claims-made maturity.
- E. For each individual physician or surgeon, premium is determined by performing the following calculations in this order:
1. Apply any factor appropriate for part-time practice, or first or second year practice, to the manual primary-limits rate.
 2. Add charges for additional insured employees, or charges for the vicarious exposure created by employees.
 3. Apply the appropriate limits factor to obtain a limits-adjusted rate. A deductible credit, if any, is determined by applying the appropriate deductible factor, from below, to the manual primary-limits rate. The

amount of the deductible credit is then subtracted from the limits-adjusted rate.

4. Apply the appropriate claims-made maturity factor, or factors, derived from the risk's retroactive date and the appropriate state claims-made maturity table.
 5. Apply the total of all applicable merit-rating credits.
- F. Premiums are rounded to the nearest whole dollar.

III. CLASSIFICATION PROCEDURE

A. For classification assignment:

1. The term "no surgery" applies to general practitioners and specialists who do not perform obstetrical procedures or surgery (other than incision of boils and superficial abscesses, removal of superficial growths, or suturing of skin and superficial fascia), and who do not ordinarily assist in surgical procedures.
2. The term "minor surgery" applies to general practitioners and specialists who perform the following procedures or assist in major surgery on their own patients: catheterization, endoscopy (other than colonoscopy, proctoscopy, or sigmoidoscopy), vasectomies, hemorrhoidectomies, diagnostic D & C's and vacuum curettage abortions during the first trimester of pregnancy.
3. The term "major surgery" applies to general practitioners and specialists who perform any surgery other than "minor surgery", and to those who assist at major surgery on other than their own patients.

- B. If two or more rating classifications apply, the rate for the highest rating classification is used.

IV. SPECIAL RATING RULES

- A. Fifty percent of the otherwise applicable rate applies to physicians (not surgeons) with an PLICA-insured exposure averaging 20 or fewer hours per week. If evidence of insurance is provided for any professional liability exposure insured by any other carrier, that other exposure, if any, is excluded from the PLICA policy.

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- B. Fifty percent of the otherwise applicable rate applies to physicians and surgeons who have begun practice within twelve months of the inception date of their PLICA policies after having completed post-graduate internship and/or residency, or after having been separated from active military service, without having had a previous practice of any kind. Seventy percent of the otherwise applicable rate is charged for the second year of practice.
- C. Twenty-five percent of the otherwise applicable rate is charged residents employed part-time outside their residency. The applicable rate is based on their employment practice--not their residency training. Coverage for the residency training itself is excluded.
- D. Part-time emergency room physicians may be rated based on their non-emergency room practice if evidence is provided that another carrier or carriers insure their emergency room practice. The emergency room practice is excluded from the PLICA coverage.
- E. Emergency room groups, urgent care groups, and outpatient surgery centers ("surgi-centers") may be written on an auditable "per patient visit" basis.
- F. Contractual liability for specific contract language may be covered by endorsement deleting the exclusion of contractual liability with regard to the specific contract language or hold harmless agreement. This exposure is individually rated and filed as required by, and to the satisfaction of, the appropriate state rating jurisdiction.
- G. Insureds may, at their option, waive the consent-to-settle provision contained in the standard insurance policy for a 5% premium discount.
- H. Risks (either individual health care providers or groups of health care providers) that develop more than \$100,000 in unmodified annual premium may be individually rated and filed as required by, and to the satisfaction of, the appropriate state rating jurisdiction.
- I. Upon an insured's temporary leave from active practice for reasons of health, education, military service, maternity, or other appropriate reason as judged by PLICA, for a period of at least three months and not more than 36 months, a claims-made coverage may be "suspended." For the period of suspension, the PLICA rate is 20% of the otherwise charged premium, subject to minimum premium. Upon return to active practice, the insured is either credited or charged a premium, based on the 20% charge for the suspension period less the premium for the "suspension." Future renewals will continue to allow the appropriate credit for the suspended period.

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V. LIMITS OF LIABILITY

Manual rates as exhibited in the state rate pages provide for a primary-limit of \$1,000,000 for all damages as a consequence of one incident and a primary aggregate policy limit of \$3,000,000 for all damages.

VI. DEDUCTIBLES

- A. Indemnity-only deductibles may be written on behalf of physicians, surgeons, dentists or groups of physicians, surgeons and/or dentists, if they can demonstrate a strong central business management represented by at least a dedicated group business manager responsible for the professional liability insurance on their behalf.
- B. Deductible factors are applied to the \$1,000,000/\$3,000,000 manual primary rate to derive the deductible credit amount:

Deductible Amount Per Incident	Factors
\$ 5,000	.01
\$ 10,000	.03
\$ 25,000	.07
\$ 50,000	.12
\$100,000	.21
\$200,000	.34
\$250,000	.39
\$300,000	.44
\$500,000	.57

- C. A trust account, letter of credit, or comparable instrument, payable to PLICA in the event of a claim to which a deductible might apply and for an amount at least equal to three hundred percent of the per incident deductible limit, may be required of the insured prior to issuance of a policy on this basis, at the discretion of PLICA.

VII. ADDITIONAL INTERESTS

- A. Employed Physician, Surgeon, or Dentist
1. One hundred percent of the rate applicable to the employee's specialty in the territory in which the employee practices is charged. The employee is insured for an additional and separate set of limits of insurance.

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2. Fifteen percent of the rate otherwise applicable to the employee's specialty in the territory in which the employee practices is charged, if the employee has documented applicable and substantially comparable insurance for at least the limits of insurance of the named insured from a carrier other than PLICA.

B. *Locum Tenens* Physician

A substitute physician may be added to an insured's policy at no charge until the cumulative period of substitution in one policy period is greater than 30 days. PLICA may, at its discretion, allow an additional substitution period or periods to be written beyond this 30-day limit for an additional premium equal to the pro-rata portion of the insured's premium for the period of substitution, subject to a \$100 minimum premium.

C. Organization--Shared Limits

A professional association, corporation, or other similar professional legal entity, owned entirely by an individual insured may be added to his or her policy as an additional insured with no additional limits of insurance for no additional charge.

D. Organization--Separate Limits

A professional association, corporation, partnership, or other legal entity that is owned by more than a single professional person may purchase a separate organization professional liability insurance policy for a premium equal to fifteen percent of the mature premiums applicable to the seven highest-rated (medical malpractice premiums) professional partners, stockholders, and employees of the organization entity. The total mature premium is then modified by the applicable maturity and merit-rating factors. This policy is written at limits of liability no greater than the lowest limits written on behalf of any of the owners or members of the organization.

- E. Employees not required by state law or regulation to maintain a professional license, certification or registration with respect to the scope of duties performed may be added as additional insureds for no additional charge.

- F. Employees required by state law or regulation to maintain professional licenses, certifications or registrations with respect to the scope of duties performed may be subject to:

1. Vicarious Exposure Charges

Premium charges are made to insured employers of certain categories of ancillary employees based on the additional exposure to the employers

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created by the employment, even though no coverage is provided on behalf of the employees as additional insureds. These charges are according to rates exhibited below, which are added to the insureds' premium prior to application of the named insureds' maturity factors. These charges may be waived if adequate direct insurance on behalf of the employees is documented.

2. Additional Insureds--Shared Limits

Certain categories of employees may be added as additional insureds with no increase in limits of insurance, according to rates exhibited in the following schedule. The premiums developed from these factors are to be added to insureds' premium before application of named insureds' maturity factors.

3. Additional Insureds--Separate Limits

Certain categories of employees may be added as additional insureds with separate additional limits of insurance applicable, according to rates included in the following schedule. When separate limits of insurance are provided to an employee, a retroactive date applicable to that employee must be provided and the employee's maturity factor applied to this premium charge.

	Vicarious Exposure of Employer	Shared Limit	Separate Limit
Athletic Trainer	No charge	No charge	Not available
Audiologist	No charge	No charge	Not available
Chiropractor	15% of class 420	35% of class 420	70% of class 420
Dental Hygienist	No charge	No charge	Not available
Dialysis Technician	No charge	No charge	Not available
EEG/EKG/Ultrasound Technician	No charge	No charge	Not available
Emergency Medicine Technician	No charge	No charge	Not available
Health Science--All Others	No charge	No charge	Not available
Health Science--Biologist or Physicist	No charge	No charge	Not available
Inhalation Therapist	No charge	No charge	Not available
Laboratory Services--Medical Technician	No charge	No charge	Not available
Laboratory Services--Supervisor	No charge	No charge	Not available
Medical/Dental/Other Assistant	No charge	No charge	Not available

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	Vicarious Exposure of Employer	Shared Limit	Separate Limit
Nurse Anesthetist	5% of class 151	10% of class 151	20% of class 151
Nurse Midwife	10% of class 153	25% of class 153	50% of class 153
Nurse Practitioner	3% of class 420	7.5% of class 420	15% of class 420
Nurse--LPN	No charge	No charge	Not available
Nurse--RN	No charge	No charge	Not available
Nutritional Services--All Others	No charge	No charge	Not available
Nutritionist or Dietician	No charge	No charge	Not available
Occupational Therapist	No charge	No charge	Not available
Operating Room Technician	No charge	No charge	Not available
Optician	No charge	No charge	Not available
Optometrist	No charge	No charge	Not available
Orthotics/Prosthetics--All Other	No charge	No charge	Not available
Orthotics/Prosthetics--Fitting Only	No charge	No charge	Not available
Perfusionist	3% of class 420	7.5% of class 420	15% of class 420
Physician Assistant	3% of class 420	7.5% of class 420	15% of class 420
Physiotherapist	No charge	No charge	Not available
Podiatrist--Including Surgery	25% of class 143	50% of class 143	100% of class 143
Podiatrist--No Surgery	15% of class 420	35% of class 420	70% of class 420
Psychologist	12% of class 249	25% of class 249	50% of class 249
Respiratory Therapist	No charge	No charge	Not available
Social Worker	No charge	No charge	Not available
Surgeon Assistant	3% of class 420	7.5% of class 420	15% of class 420
X-Ray Technician	No charge	No charge	Not available
X-Ray Therapist	No charge	No charge	Not available

VIII. MERIT-RATING

A. Claim-free Credit

PLICA will allow a credit, as determined from the following schedule, to those applicants and insureds who have maintained a practice without substantial change for at least the immediately prior three years and who have incurred no claims for the immediately prior three or more years. This credit is in addition to any scheduled credit or debit.

Years of Claim-free Experience	Credit
Three to five years	5%
Six to nine	10%
Nine or more	15%

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B. Schedule-rating

Insurance through this program may be credited or debited based on the total of credits and debits derived from the following "risk characteristics" schedule. Credits and debits are granted only at the time of policy application or renewal; no credits or debits apply to current or expired policy periods.

		Maximum Credit	Debit
1.	Professional Skills, Quality of Care	10%	10%
	Use of a recognized system of clinical guidelines. Relevant board certification. Accreditation status by a recognized regulatory body. The provision of medical care limited to qualified individuals. Continuing education of all professional staff beyond what is required by state licensing regulation. Maintenance of premises and equipment.		
2.	Patient Rapport	10%	10%
	Length of service and reputation in community. Established policies and procedures for patient services. Cooperation with PLICA claims management and resolution procedures.		
3	Record Keeping	10%	10%
	A well-maintained patient record system in place: thorough documentation of patient care and interaction; follow-up system for diagnostic studies, consultation and appointments.		
4.	Risk Management	10%	10%
a.	Documented successful completion of an approved office risk analysis and/or education program, including an appropriate response to recommendations made.		
b.	Documented attendance at an approved risk management seminar, or successful completion of an approved risk management correspondence course.		

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- c. Documented participation in an approved closed claim review.
- d. Employment of a full-time, qualified, professional risk manager.
- e. Documented physician and/or staff participation in other risk management or loss prevention activities as individually approved by PLICA.
- f. Researched emergency plan/equipment in place.

C. Surcharges

- 1. A physician or surgeon may be an acceptable professional liability insurance risk only at rates higher than otherwise available through this rating manual.
- 2. In the event that a surcharge is warranted based on claims history or other circumstances, an individual rate filing signed by the insured or applicant is filed as required by, and to the satisfaction of, the appropriate state insurance department or bureau.

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